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ABSTRACT

The Educational Voucher Demonstration began in the Alum Rock Union Elementary School District, San Jose, California, in September 1972. Initially sponsored by the Office of Economic Opportunity, it is now under the aegis of the National Institute of Education. This publication describes the socioeconomic and cultural setting of the school district, the relations among elements of the school administrative hierarchy, and their relations with outside groups and agencies; and shows how these interactions affected the progress of the voucher demonstration. The authors trace some of the developments as they occurred, and describe how the process of solving problems and adapting to new challenges changed the roles and status of individuals and groups involved in the demonstration. The report is selective and descriptive and presents only tentative conclusions based on the first year of the multiyear experiment. (Authors)

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# THE POLITICS AND ADMINISTRATION OF THE VOUCHER DEMONSTRATION IN ALUM ROCK: THE FIRST YEAR, 1972-1973

Stephen S. Weiner and Konrad Kellen

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## ANALYSIS OF THE EDUCATION VOUCHER DEMONSTRATION

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A WORKING NOTE

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Rand
SANTA MONICA, CA. 90406

# PREFACE

The Education Voucher Demonstration is a large-scale social intervention with a wide range of social, political, economic and educational objectives. The demonstration began in Alum Rock, California, in September 1972. Funded initially by the Office of Economic Opportunity, it is currently supported by the National Institute of Education. The voucher model originally considered by OEO included both public and private schools. The model currently being tested in Alum Rock differs from this plan in that only public schools participate in the project. Six schools were in the demonstration in 1972-73, with seven additional schools joining for the 1973-74 school year.

Since April 1972, Rand has been performing a wide range of study and analysis tasks related to the demonstration. The objectives of Rand's work include:

- Documentation of events and outcomes in the demonstration;
- Analysis of social, political, economic and educational impacts of diverse aspects of the demonstration;
- Delineation of secondary impacts such as organizational changes and instructional innovations; and
- Identification of implications of the voucher concept for federal, state and local education policies.

This Working Note was prepared pursuant to NIE Contract B2C-5326, and is one of a series of Notes that are published from time to time on selected analysis topics. The Working Note series is designed to transmit preliminary research results to NIE, and should *not* be interpreted as presenting definitive conclusions about voucher demonstration outcomes.

## SUMMARY

The Educational Voucher Demonstration began in the Alum Rock Union Elementary School District, San Jose, California, in September 1972. Initially sponsored by the Office of Economic Opportunity, it is now under the aegis of the National Institute of Education. Rand has been collecting and analyzing data related to the demonstration.

This working note deals primarily with the political and administrative aspects of the voucher demonstration. It describes the socio-economic and cultural setting of the school district; the relations among elements of the school administrative hierarchy and their relations with outside groups and agencies; and shows how these interactions affected the progress of the voucher demonstration. This account traces some of the developments as they occurred, and describes how the process of solving problems and adapting to new challenges changed the roles and status of individuals and groups involved in the demonstration. It is necessarily selective and descriptive; it is not judgmental, and presents only tentative conclusions based on the first year of the multi-year experiment.

## ACKNOWLEDGMENTS

A number of Rand staff members contributed to the collection and analysis of data reported in this working note.

Gail Bass assisted in the interviewing of teacher groups and individual members of the Alum Rock Board of Trustees.

Ted Fairbrother also assisted in the teacher interviews.

Eva Learned formulated the questions for interviews with non-voucher principals and helped conduct the interviews.

Alfonso Espinoza, Dorothy Joseph, and Laura Padron observed a large number of meetings involving parents, and helped conduct the teacher interviews.

Gail Bass also participated in preparing the sections of this working note describing the impact of the organizational development consulting firm. Roger Rasmussen assisted in the drafting of this section.

Dorothy Joseph and Marta Samulon assembled the data reported in the first chapter on The Setting and, along with Eliot Levinson, participated in the writing of that chapter.

Although not a member of the Rand staff, William Furry, who served as Administrative Intern in the district's business office during the first year of the demonstration, helped in the writing of the section dealing with budgetary procedures, after his employment in the demonstration had been completed.

Joanne Wuchitech assisted in the review of the entire working note and contributed revisions of several sections.

This working note also benefited from data collected by and comments contributed by Sue Haggart and Marjorie Rapp.

Even beyond the contributions cited above, all members of the Rand evaluation staff helped immeasurably by participating in ongoing disucssions during the year which reviewed the comprehensiveness and accuracy of the data and by challenging tentative conclusions pursued by the authors.

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# INTRODUCTION

This is one of a series of documents[*] reporting the results of Rand's evaluation of the first year (September 1972-June 1973) of the Elementary Education Voucher Demonstration in the Alum Rock Union Elementary School District, San Jose, California.

This ongoing evaluation is being conducted by Rand under contract with the Office of Economic Opportunity of the United States government and its successor agency as sponsor of the voucher demonstration, the National Institute of Education. During the first year both the demonstration and its evaluation were solely under the jurisdiction of OEO.

Rand's role has been that of an independent, external evaluator of the voucher demonstration.[**] While our evaluation was conducted with the cooperation of the Alum Rock district, the district exerted no supervision or control over its design or implementation. The Experimental Research Division of OEO funded and helped establish ground rules for the demonstration. OEO's Evaluation Division funded and supervised Rand's evaluation effort. However, no person or office at the local or federal level directly responsible for the conduct of the demonstration exerted influence either over the course of Rand's evaluation or the analyses or conclusions reported by Rand. A separate "internal" evaluation of the demonstration is described in Chapter 4.

## The Purview of this Report

This working note concentrates primarily upon the social and political outcomes of the first year of the demonstration, with special attention to patterns of decisionmaking, conflict, and administrative change within the district organization.

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[*] See the list of publications at the end of this Introduction.

[**] The Alum Rock demonstration was the only voucher demonstration conducted in the nation during the 1972-73 school year. Although other demonstrations are under consideration, none will begin before the fall of 1974.

In February 1972 Rand set forth its approach to the evaluation of the Alum Rock demonstration.[*] Rand proposed a broad-gauge evaluation of the demonstration which included three major subdivisions: Social/Political Outcomes; Economic/Cost Outcomes; Educational outcomes.

In assessing the demonstration, Rand has used a variety of instruments and techniques: cognitive and affective measures of students participating in the demonstration; classroom observation of instructional techniques; analysis of resource allocation within the demonstration; extensive teacher questionnaires; structured interviews of residents of the Alum Rock community, including parents of participating children; examination of documents produced within the district and the sponsoring federal agency; partially structured interviews with administrators, teachers, and board members within the district; and extensive observation of meetings and other group interactions within the school district and the community.

## Nature of the Demonstration

Some criticism of the Alum Rock demonstration has come from those who claim the term "voucher" has been incorrectly applied to Alum Rock, primarily because the participation of private schools is forbidden and because no direct financial incentives are provided for school personnel.[**] The dispute over whether the Alum Rock demonstration is a test of "vouchers" arises from varying definitions of the term "educational voucher." Quite simply, if one's definition of "voucher" requires that both publicly and privately managed schools participate, and that the incomes of school managers and teachers depend upon enrollment, then Alum Rock is not a "voucher" demonstration.

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[*] *Technical Analysis Plan for Evaluation of the OEO Elementary Education Voucher Demonstration: Technical Dissertation*, February 1972, submitted to the Office of Economic Opportunity in Performance of Contract Number B2C-5326, The Rand Corporation.

[**] The demonstration model does permit the participation of "community" schools, about which more will be said in Chapter 5.

If, on the other hand, one defines "voucher" in terms of a system of education where parents have choice among educational alternatives, and the funding of these alternatives depends on enrollment, then Alum Rock qualifies as a "public school voucher" demonstration.

It is important to note that there are many voucher models with widely varying purposes and structures. For the purposes of public policy it is essential that conclusions derived from the Alum Rock demonstration not be applied mechanically to other voucher models lest it muddy public debate over the desirability of such voucher models. A distinction must be made between the form of "voucher" tried in Alum Rock, on the one hand, and other proposals advanced by the Center for the Study of Public Policy or Milton Friedman.[*]

We shall use the term "vouchers" in relation to Alum Rock simply because that is the term used by the federal government, the district, and the media in discussing the Alum Rock demonstration.

The Alum Rock demonstration falls within the class of government interventions termed "social demonstrations." It is an attempt to cause pervasive change in a local school system, rather than simply to introduce a specific new curriculum, instructional technology, or accounting procedure. Instead, the Alum Rock demonstration seeks to alter the basic decisionmaking process within a school system; to change the way resources are allocated; and to alter the roles, influence, and incentive structure of all significant participants in the schools, including board members, administrators, students, parents, and teachers.

## Implications for Evaluation

The nature of the demonstration has had direct implication for our evaluation, as noted in Rand's *Technical Analysis Plan:*

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[*] See *Education Vouchers*, Center for the Study of Public Policy Cambridge, Massachusetts, December 1970, and "The Role of Government in Education," Chapter 6, *Capitalism and Freedom*, Milton Friedman, Chicago; University of Chicago Press, 1962.

> The social and political outcomes...will be measured primarily in the context of the community, viewed as a social system containing, among other smaller systems, the school system. While one may analyze any social unit as a "closed system" (concentrating on its internal structures and processes), we have chosen to view both the demonstration community and its schools as open systems--allowing us to capture both internal system effects and relationships between systems. Indeed, this approach is necessary since the demonstration originates as an intervention from outside the public school system and local community, and is designed explicitly to alter the relationships between citizens and their schools. If changes occur in the relationships of the schools and the community, one may expect that the internal relationships in each system will undergo change as well: citizens of different constituencies may find themselves in different positions and roles relative to one another; school personnel may find their accustomed positions and behavior modified. (p. 24)...
>
> In the analysis of social and political outcomes of the Elementary Education Voucher Demonstration, we are viewing the demonstration community and demonstration schools as open, interlocking systems--having both structural and functional relationships. Within the community system, group effects of the demonstration are expected to vary by the relationship of those groups to the educational process and hence to the demonstration. Within the school system, effects of the demonstration are expected to vary by the relationship of groups to the education decisionmaking process. As these two systems interact with one another around the focal point of the demonstration, responses are expected to vary in terms of the constraints imposed by special interests, audiences, and norms internal to each system. (p. 38)

The analysis contained in this working note cannot furnish prescriptions about whether the Alum Rock form of vouchers, or any other form, should be implemented in one or another local district, for two reasons:

1. The outcomes of the Alum Rock demonstration are, in significant degree, the result of characteristics unique to Alum Rock.

2. The demonstration is only one year old at this writing. The demonstration is expanding within the district and may change as the district gains experience. The regulations governing the demonstration and the decisionmaking process itself may well be transformed in subsequent years of the demonstration.

But the uniqueness of the Alum Rock demonstration and its evaluators should not be overemphasized. There are lessons to be learned from the first year of the Alum Rock demonstration that can be useful to educational decisionmakers in Alum Rock, in Washington, and elsewhere. While Alum Rock is in some senses unique, it also shares important similarities with other American school districts.

To make this document useful for policy purposes, we have kept a number of audiences in mind--federal and state officials, administrators, teachers, and parents. This report is not intended to glorify vouchers or to bury them, but to help others to profit from the Alum Rock experience and to make the "voucher" concept, if it is of interest to them, a more effective and satisfying technique for educational change.

## Organization of this Working Note

This working note is divided into three parts.

Part I, Prelude to the Demonstration, sets out the context for the first year of the demonstration. Chapter 1, The Setting, presents information about the physical and social character of the area served by the Alum Rock district, past resource inputs into the district and its major organizational features. Chapter 2, Initiation and Design, describes the process of district involvement in the demonstration and how the initial federal model for educational vouchers was transformed into the "transition" model implemented in Alum Rock. Chapter 3, The Federal Grant describes the original federal grant for the voucher demonstration and compares it with the federal grant for the second year of the demonstration.

Part II, The First Year, describes critical events and processes during the first year. Chapter 4 presents key administrative issues. during the first year, including questions related to the budgetary process; conflicts over internal evaluation and parent counseling; and difficulties encountered as a result of student transfers and the installation of a computerized system for student attendance accounting. Chapter 5 reports on the expansion and revision of the demonstration that occurred at the end of the first year. Chapter 6 explores the special functions served by an outside "organizational development" consulting firm in initiating and facilitating the demonstration.

Part III, The Process of Change, extends the analysis of the change process initiated in Parts I and II. Chapter 7 summarizes a number of observations concerning the nature and rate of institutional change in Alum Rock. It contrasts theories of change inherent in the voucher concept and the "world view" held by Alum Rock administrators, reflecting the movement toward administrative decentralization in the district. Chapter 8 describes how the decentralization movement began in Alum Rock and its consequences for the distribution of administrative authority. Chapter 9 considers the impact of various constituent groups upon the policymaking process within the demonstration. Chapter 10 contains a summary of our major findings and conclusions.

## Methods Used in Data Collection and Analysis

Administrative and political processes within an organization are both subtle and complex. To secure an understanding of these processes we conducted an extensive on-site exploratory and descriptive study of the Alum Rock district and community.

As we began field work in the summer of 1972 there could be no reliable prediction of how subsequent events would unfold and we had no manageable set of hypotheses in mind. We were eclectic in our data collection efforts and used our best judgment both as to what events merited description and what elements those descriptions should contain.

Under these circumstances, it was especially important that our staff have experience in the study of organizational and political processes. Under the general direction of the Project Leader in Santa Monica, Daniel Weiler, field research on administrative and political processes was primarily conducted by Stephen Weiner and Konrad Kellen. During the first year, Weiner served as Site Director of Rand's evaluation in Alum Rock.

## Research Techniques

Having decided to establish a close relationship with unfolding events in Alum Rock, Rand used several techniques for collecting data:

- observation of group activities, with the help of a "site office;"
- interviews with participants;
- examination of documents produced in connection with the demonstration;
- surveys of teachers and parents.

Observation of group activities, including meetings involving parents, teachers, and administrators, provided an independent record of events and processes. Informal interviews helped us understand decisions reached, or processes observed, while participant perceptions were still fresh.

Structured interviews gave us an opportunity to invite reflections and judgments by participants that would otherwise not have been available to us. We conducted 60 such interviews, with members of the Board of Trustees, the voucher staff, federal officials, principals of voucher and nonvoucher schools, teachers in the mini-schools, leaders of teacher organizations, and with district administrators. A day-long conference was held in Santa Monica with members of the organizational development firm that was assisting in the demonstration. A number of persons were interviewed more than once.

This sustained interaction between the evaluation staff and leading participants at all levels of the demonstration proved to be of crucial importance. Many significant meetings during the first year of the demonstration were called on short notice. Our close contact enabled us to learn of these meetings in advance and to be present as observers. Further, by being in the central office and school offices, we obtained many useful and important documents. A measure of the cooperation afforded us by district staff is that we were never refused a copy of any document we requested.

## Research Staff and Organization

The Site Director in Alum Rock bore the major responsibility for the field work, including observation of group activities and personal interviewing. "Community observers" monitored organized parent participation in the governance of the demonstration. The site office maintained a calendar of parent meetings, including those held by community groups in non-school facilities. During most of the year, efforts were made to have a community observer present at all parent meetings. Rand observers were present at more than 80 percent of meetings of parents involved in the demonstration.

In view of the substantial participation in the demonstration of Chicano and black parents, we realized that racial ethnic balance in our own staff was important. The on-site professional staff consisted of a Chicano woman (Laura Padron), a Chicano man (Al Espinoza), a black woman (Dorothy Joseph) and an Anglo man (Stephen Weiner).

A site office was opened in September 1972. This office was leased privately and was near the schools and the district office; Aida Llanes was office secretary.

In addition to the on-site staff, researchers from Rand's Santa Monica headquarters traveled to Alum Rock to assist in the observation and interviewing--Konrad Kellen and Gail Bass, in particular.

The mixture of on-site and off-site personnel, and the inclusion of members of various ethnic groups on the Rand staff, facilitated observation and was helpful in developing a coherent picture of the events of the first year.

## Gaining and Maintaining Access

Observation and interviewing, in combination with other evaluation activities such as student testing, teacher surveys, and parent surveys, constituted a potential source of irritation among district personnel and parents.

Securing and maintaining access to key participants and significant meetings was a central one for the evaluation. The strategy we used is known as "contingent acceptance." We approached top officials in the district to solicit their acceptance of our research program. Having won that, we also asked permission to solicit approval from their immediate subordinates in the administrative hierarchy. In this way, we proceeded in the spring, summer, and fall of 1972 to contact central office officials, voucher staff, principals, teachers, teacher organizations, and key organizations in the Chicano and black communities.

Some resistance was met and resolved. Several teachers expressed resentment over the cost of the evaluation. We responded by outlining the nature of the tasks we had undertaken. Some teachers were upset over changes in our plans for teacher interviews and student testing. We explained the basis for our decisions and solicited their suggestions. On several occasions complaints were justified, and suggestions for changes in the procedures for evaluation were adopted.

Virtually all our requests for assistance were met with courtesy and cooperation. Our staff members were never barred from a meeting, nor were they ever ejected. No requests for interviews were turned down. Indeed, most district staff members went out of their way to provide information and assistance.

Our relationship with the district staff was decidedly one-sided. Although we made frequent, and often time-consuming, demands upon them, we were not in a position to offer tangible services in return. In this respect, we observed guidelines from OEO's Evaluation Division that our activities should not interfere in any way with the progress of the demonstration. This guideline, designed to maintain our objectivity, and to protect the demonstration from outside participation that might render some portion of the outcomes attributable to our actions, prevented us from offering advice or other services that might have proved useful to the district.

We took special care to explain this constraint on our activities to district personnel. District staff appeared to understand the rationale for this restriction on our activities.

Given the conflict that existed within the demonstration, we felt it essential to emphasize our responsibility to understand all points of view. We often took the initiative to indicate that we were observing meetings held by all factions involved in any dispute. In this way we sought to avoid having anyone believe that we were associated with a given viewpoint simply because we attended meetings called by its advocates.

Perhaps most important, for maintaining access, we protected the confidentiality of the information we obtained through observation and interview.

## Analysis and Reporting

The writing of this working note commenced in September 1973 and was concluded in December 1973 followed by revisions completed in May 1974. During this process, summaries of diaries and interviews were prepared. It should also be noted that the reporting and analysis process has largely forced us to deal with individual participants in the demonstration as members of larger groups, e.g., "voucher principals" or "central staff." At best this is an oversimplification; at worst it is unfair to one or more members of those groups.

## Related Rand Documents

Interim analyses of the Voucher Demonstration are presented in the form of Working Notes, which are used to transmit preliminary research results to a Rand sponsor and are distributed only with the approval of that sponsor. Working Notes in this series include:

WN-8280-NIE, *Elementary Education Voucher Demonstration--Site: Alum Rock--Description of the 1972-1973 Teacher Demographic File*, E. M. Fairbrother and P. K. Gowen, February 1974

WN-8281-NIE, *Elementary Education Voucher Demonstration--Site: Alum Rock--Description of the 1972-1973 Parent Demographic File*, E. M. Fairbrother and P. K. Gowen, February 1974

WN-8282-NIE, *Elementary Education Voucher Demonstration--Site: Alum Rock--Description of the 1972-1973 Student Demographic File*, E. M. Fairbrother and P. K. Gowen, February 1974

WN-8402-NIE, *Descriptions of the 1972-73 Mini-School Programs in the Alum Rock Voucher Demonstration*, M. L. Rapp and J. M. Wuchitech, October 1973

WN-8403-NIE, *Instructional Aspects of the 1972-73 Mini-School Programs in the Alum Rock Voucher Demonstration*, S. A. Haggart, M. L. Rapp and J. M. Wuchitech, November 1973

WN-8404-NIE, *Resource Allocation and Budgeting for the 1972-73 Mini-Schools of the Alum Rock Voucher Demonstration*, S. A. Haggart (forthcoming)

WN-8513-NIE, *Fall 1972 Teacher Questionnaires*, Compiled by M. A. Thomas, March 1974

WN-8514-NIE, *Spring 1973 Voucher Demonstration Teacher Questionnaires*, Compiled by K. A. Hogue and M. A. Thomas, March 1974

WN-8541-NIE, *Elementary Education Voucher Demonstration--Site: Alum Rock--Description of the 1972-1973 Student Analysis File*, E. M. Fairbrother and P. K. Gowen, February 1974

WN-8542-NIE, *Documentation of the Testing Process in the Alum Rock Voucher Demonstration 1972-73*, E. M. Fairbrother, April 1974

WN-8597-NIE, *Affective Testing in the Alum Rock Voucher Schools*, T. S. Donaldson, April 1974

WN-8606-NIE, *Proposals for Reducing Achievement Testing at Alum Rock*, P. Barker, April 1974

WN-8607-NIE, *Design of an Achievement Placement Test for MAT-70*, P. Barker, February 1974

WN-8624-NIE, *Teachers' Reactions to the Voucher Demonstration in 1972-73 (II)*, J. J. Vanecko (forthcoming)

WN-8676-NIE, *Fall 1972 Voucher Demonstration Parent/Community Questionnaires*, Compiled by K. A. Hogue and M. A. Thomas (forthcoming)

WN-8677-NIE, *Spring 1973 Voucher Demonstration Parent/Community Questionnaires*, Compiled by K. A. Hogue and M. A. Thomas (forthcoming)

WN-8690-NIE, *Elementary Education Voucher Demonstration--Site: Alum Rock--1972-1973 Data Base*, E. M. Fairbrother and P. K. Gowen (forthcoming)

More comprehensive and carefully reviewed research findings are presented in the Rand Report series. Reports published to date and forthcoming include:

R-1217-NIE, *Achievement Scores and Educational Objectives*, R. E. Klitgaard, January 1974

R-1495-NIE, *A Public School Voucher Demonstration: The First Year at Alum Rock*, Daniel Weiler, Study Director (forthcoming)

R-1495/1-NIE, *A Public School Voucher Demonstration: The First Year at Alum Rock, Summary and Conclusions*, Daniel Weiler, Study Director (forthcoming)

R-1495/2-NIE, *A Public School Voucher Demonstration: The First Year at Alum Rock, Technical Appendix*, Daniel Weiler, Study Director (forthcoming)

R-1495/3-NIE, *A Public School Voucher Demonstration: The First Year at Alum Rock, Documentary Appendix*, Daniel Weiler, Study Director (forthcoming)

R-1497-NIE, *Issues in Measuring Student Achievement Outcomes in the Alum Rock Voucher Demonstration*, P. Barker (forthcoming)

# PART ONE: PRELUDE TO THE DEMONSTRATION

## Chapter 1: The Setting

In 1970, the Experimental Research Division of the Office of Economic Opportunity and the Alum Rock school district discovered each other. Out of the resulting partnership grew the first demonstration, within the United States, of a version of the voucher concept in public school education.

As the voucher demonstration is greatly influenced by its setting--East San Jose, California--this chapter provides some historical, social, and economic background on the city and the school district in which the demonstration is taking place.

### The Physical Setting

The Alum Rock Union Elementary School District is one of eleven school districts serving San Jose, California, a city of approximately 500,000 located south of San Francisco in the Santa Clara Valley. West and north of the city an unbroken urban sprawl stretches some fifty miles to San Francisco. To the south and east, suburbia gives way to farmlands and orchards. The Alum Rock area is located in the east side of San Jose, on a broad, heavily populated flatland between US 101 and the Mount Hamilton Range.

The rapid and relatively uncontrolled growth that took place in the Santa Clara Valley in the last two decades brought urbanization to East San Jose. Consequently, most of Alum Rock's farmlands and orchards have undergone rapid transition to commercial arteries and a seemingly endless array of "fast food" franchises, large shopping centers, and hastily constructed apartments and houses. Today, among gas stations, billboards, and small shops, there are only occasional patches of undeveloped land.

Cutting across the now-developed flatland is Alum Rock Avenue, once the area's main street. It contains the small shops and offices that form much of the commercial and cultural center of San Jose's

Mexican-American community, but includes none of the major industrial employers whose arrival in the Santa Clara Valley spurred the urbanization process. Similarly, the major governmental, financial, and other white-collar employment centers are concentrated in downtown San Jose, several miles west of the Alum Rock school district.

Branching out from Alum Rock Avenue and the other commercial thoroughfares are the residential streets, marked by rows of modest single-family homes. Although these tracts were recently built, many of them are already deteriorating. Many of the older sections of Alum Rock are characterized by tree-shaded neighborhoods lined with small, one-story frame structures built around 1920. In part because these areas of the district were unincorporated until recently, municipal improvements have been late in reaching them. Many streets lack sidewalks or adequate street lighting, particularly those in Mexican-American neighborhoods--the "barrios." In these poorer neighborhoods, life is often spent out of doors. Families can be seen sitting on their porches, chatting with their neighbors; children and dogs run and play in the quiet streets, dodging the parked cars (some of them abandoned) that dot the neighborhood.

In the eastern hills that look down on Alum Rock, a different atmosphere prevails. Here are the larger and more expensive homes of San Jose's more affluent residents, in the local lexicon, the "hill people."

## The School Setting

The district was established in 1930. It was originally a rural district with one school, and as late as 1950 it had only three schools. Then, during the 1960's, as Alum Rock went through a period of rapid growth, about three schools a year were built for a number of years. In the 1972-1973 school year (the first year of the voucher demonstration) the Alum Rock School District operated nineteen elementary schools, five middle schools, and, on separate sites, two centers for preschool children. With the exception of a one-room school in the mountain area (Mt. Hamilton School) the district's educational facilities are contained in a three-mile square. Five of the original six voucher schools are situated in neighborhoods within the lower-income, flatland areas of Alum Rock. Approximately 4000 students attended these six schools during the 1972-1973 school year, out of a total elementary and middle-school enrollment of 14,428.*

Enrollment in the district, after peaking in 1970, has declined slightly (Fig. 1.1). While some school districts neighboring Alum Rock have experienced slight drops in enrollment in the past, they have grown steadily over the last decade (Table 1.1).**

Table 1.1

FALL ENROLLMENTS IN THE ALUM ROCK ELEMENTARY DISTRICT
AND NEIGHBORING ELEMENTARY DISTRICTS: 1964-1973

| | Fall Enrollment | | | Percent Change From Previous Year | | |
|---|---|---|---|---|---|---|
| Year | Alum Rock | Berryessa | Evergreen | AR | B | E |
| 1964 | 13,294 | 2,448 | 1,461 | | | |
| 1965 | 13,524 | 2,949 | 1,962 | +2 | +20 | +34 |
| 1966 | 14,245 | 3,421 | 2,376 | +5 | +16 | +21 |
| 1967 | 15,217 | 3,860 | 2,773 | +7 | +13 | +17 |
| 1968 | 15,461 | 4,589 | 3,232 | +2 | +19 | +17 |
| 1969 | 15,666 | 5,194 | 3,754 | +1 | +13 | +16 |
| 1970 | 15,950 | 5,537 | 4,175 | +2 | + 7 | +11 |
| 1971 | 15,735 | 6,223 | 4,564 | -1 | +12 | + 9 |
| 1972 | 15,428 | 7,476 | 5,071 | -2 | +20 | +11 |
| 1973 | 15,127 | 8,389 | 5,228 | -2 | +12 | + 3 |

SOURCE: County of Santa Clara Office of Education: "District Enrollment Totals," 1961-1973, and the Alum Rock Union School District.

During the same period, there has been a dramatic increase in the proportion of ethnic minority youngsters in the Alum Rock schools, with a particularly marked increase between 1968 and 1969 (Fig. 1.2). The growth curve for both the district and the six original voucher schools (Fig. 1.3) shows the largest increase in the proportion of minority

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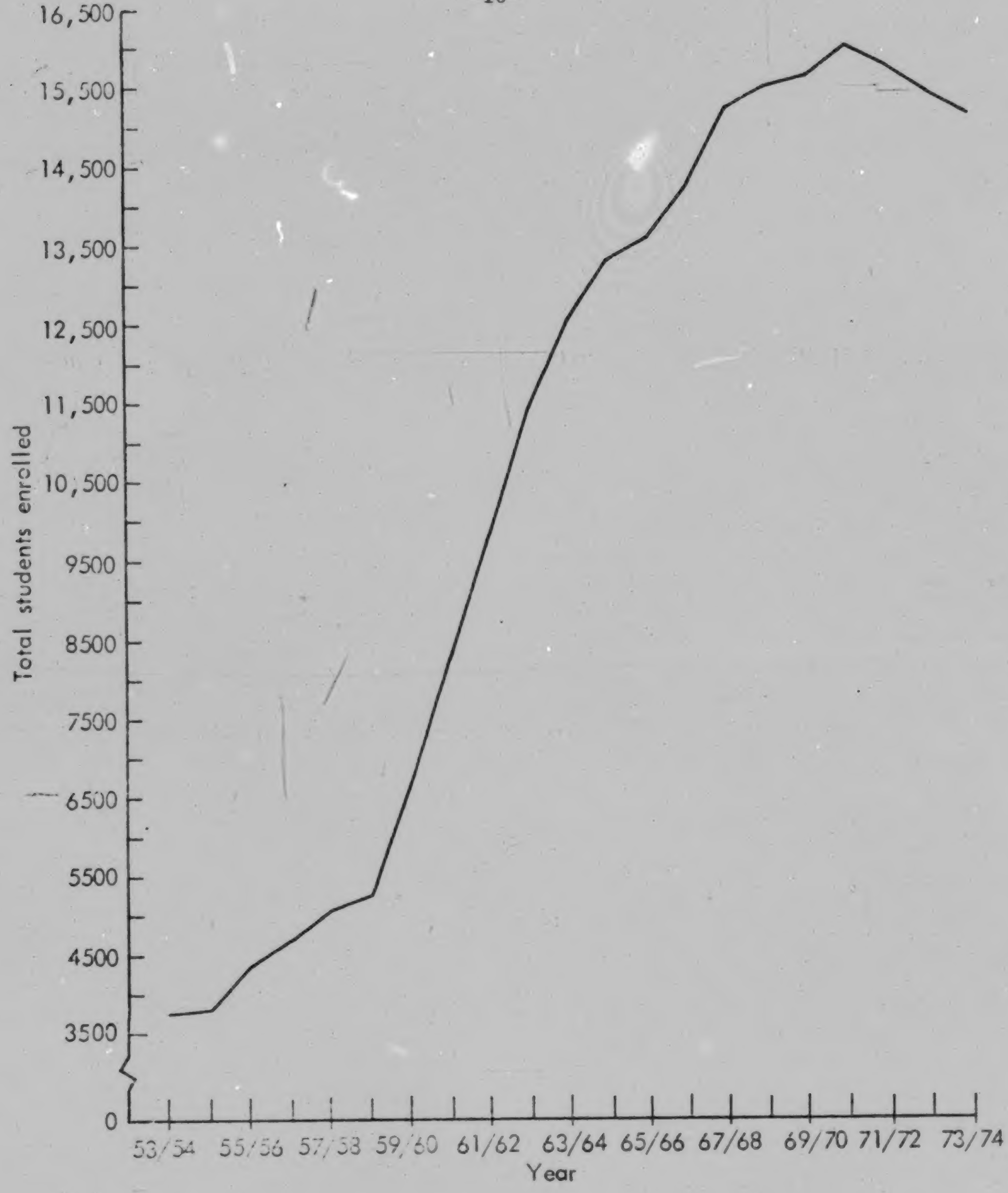
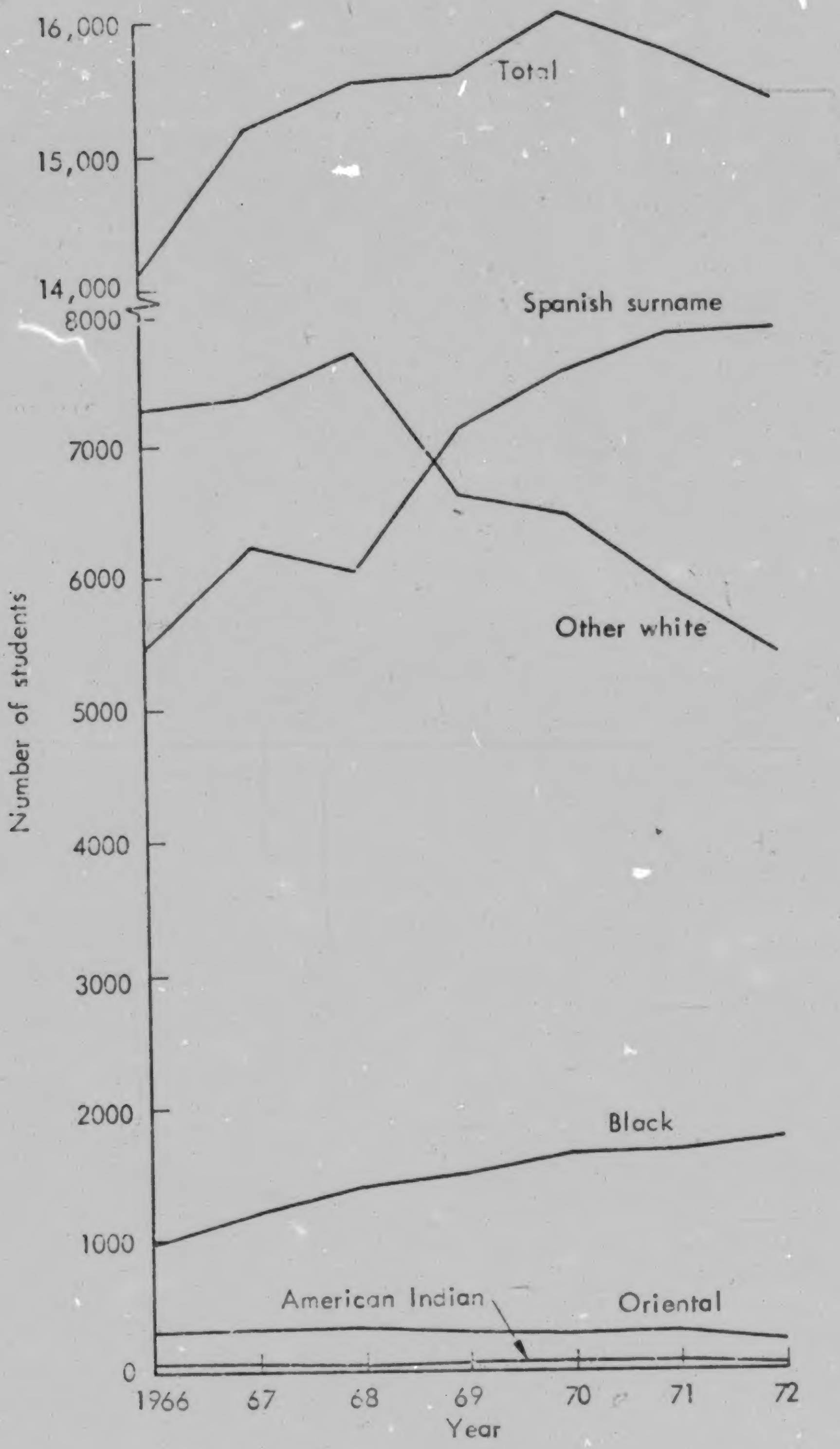
*Alum Rock School District Attendance Office (enrollment as of October 1972).

**County of Santa Clara, Office of Education, Department of Attendance and Juvenile Services, "District Enrollment Totals 1961-1972."



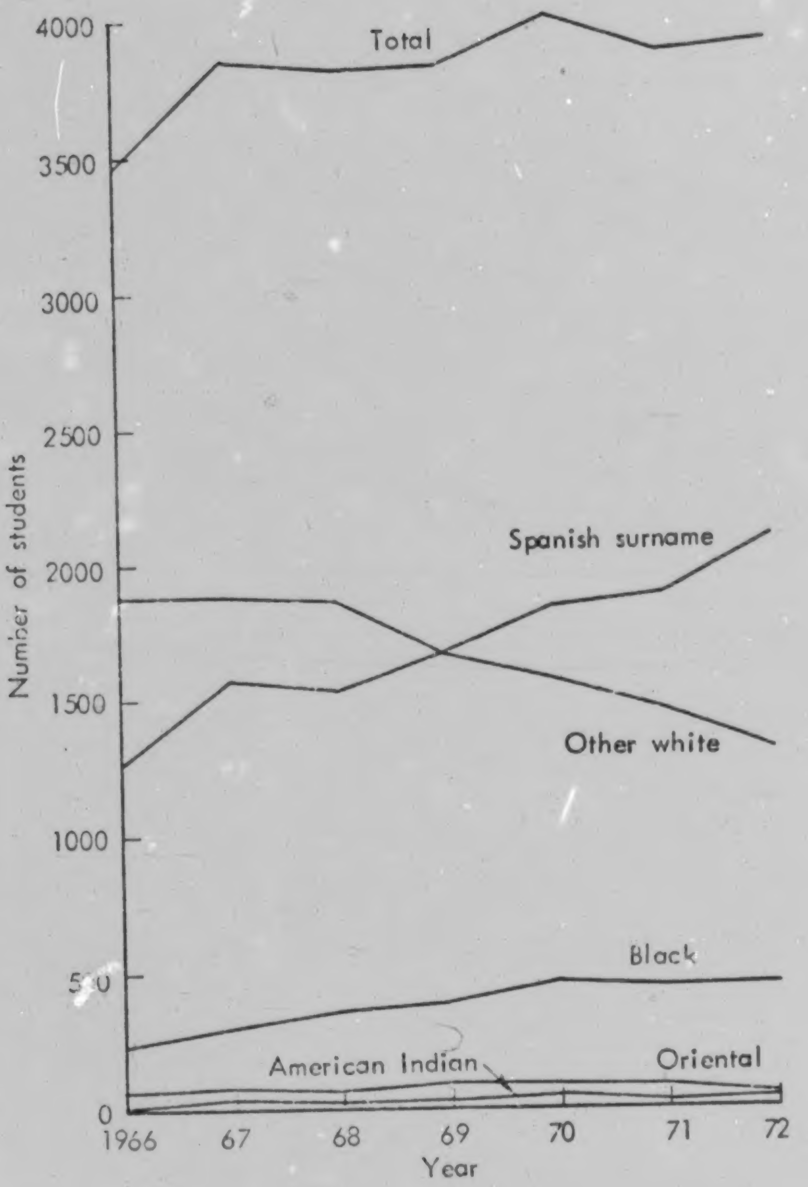
SOURCE: Alum Rock School District Attendance Office.

Fig. 1.1 — Enrollment in the Alum Rock School District, month of October 1953-October 1974



SOURCE: Alum Rock School District.

Fig. 1.2 — Ethnic distribution of students in the Alum Rock School District, 1966–1972



SOURCE: Alum Rock School District.

Fig. 1.3 — Ethnic distribution of students in voucher schools, Alum Rock School District, 1966–1972

ethnic group student population (especially those with Spanish surnames) during the period of the greatest general growth in total school population. However, this was due not only to an increase in enrollment of students with Spanish surnames but also to a marked decrease over the same period in "other white" enrollment.* Although total enrollments have fallen off since 1971, this trend has continued.

Although there are a number of well-established neighborhoods in the Alum Rock area, most of the population is quite transient. About 28 percent of the families surveyed in a special 1972 state census had lived at their current addresses less than one year.** Much of the movement is within the Alum Rock area; about 40 percent of the households that moved in the last year went from one location to another within the Alum Rock Union Elementary School District or the Eastside High School District, whose facilities are attended by Alum Rock students.

## Socioeconomic Status

The socioeconomic status of many Alum Rock residents is low. For example, the median family income for the Alum Rock area in 1970 was $10,150, which is $2,306 below the corresponding figure for San Jose and $582 below that for California. Moreover, 10.4 percent of the families in the Alum Rock area had incomes below the poverty level, compared with 5.6 percent in San Jose and 8.4 percent in California.***

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*The ethnic classifications used by the Alum Rock School District, based on those outlined by HEW's Office of Civil Rights for use by school districts in *School Systems Summary Report Form* OS-CR 101 (October 1973), Elementary and Secondary School Civil Rights Requirements Survey, are as follows: "Persons considered by themselves, by the community, or by the schools to be of these origins:

American Indian
Asian American: Persons of Chinese, Japanese, or other Asian origins
Black: Persons of Black, African, or Negro origin
Spanish Surname: Persons of Mexican, Puerto Rican, Central American, Cuban, Latin American, or other Spanish origin
Other White: All persons not included in the above four classifications."

**Census of San Jose's East Side, taken in the fall of 1972 by the Department of Finance, State of California.

***U.S. Department of Commerce, *1970 Census of Population and Housing*.

Family breadwinners are often employed in unskilled or semiskilled jobs, many of them in the construction trades.

One good indicator of a neighborhood's socioeconomic status is the education level among adults. Figure 1.4 shows, for each of the 12 census tracts within the Alum Rock district boundary, the percentage of adults 25 and older who were high school graduates in 1970. The lowest percentages of high school graduates (16 and 23 percent) occur in tracts in the western portion of the district nearest San Jose (the "flatland" area); the highest percentages (52 and 73 percent) occur in the northeast portion of the district (the "hill" area). For comparison purposes, 69 percent of the adults 25 and older in Santa Clara County reported being high school graduates in 1970, as did 63 percent in California and 52 percent in the nation. Thus, in 10 of the 12 Alum Rock census tracts fewer adults had completed high school in 1970 than the county, state, or national average.*

Alum Rock's student population shows one of the highest Aid to Families with Dependent Children (AFDC) rates in the county: in 1972-1973, 34.5 percent were eligible for AFDC, compared with 10.9 percent of all students in the county (Fig. 1.5). Also, during the 1972-1973 school year, Alum Rock had one of California's highest participation rates in school free and reduced-price lunch programs: 74.4 percent of the students received free and reduced-price lunches, compared with 48.1 percent for California as a whole (Fig. 1.6). More students in voucher schools participated than did students in the rest of the district, for reasons that will be discussed in connection with the use of compensatory vouchers (see Chapter 4).

## Ethnicity

About 70 percent of Alum Rock's population is made up of nationally recognized minority groups; approximately 50 percent are Mexican-

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*U.S. Department of Commerce, *1970 Census of Population, General Social and Economic Characteristics*. United States Summary, Table 88, and California, Table 51. U.S. Department of Commerce, *1970 Census of Population and Housing, Census Tracts*, San Jose Standard Metropolitan Statistical Area, Table P-2.

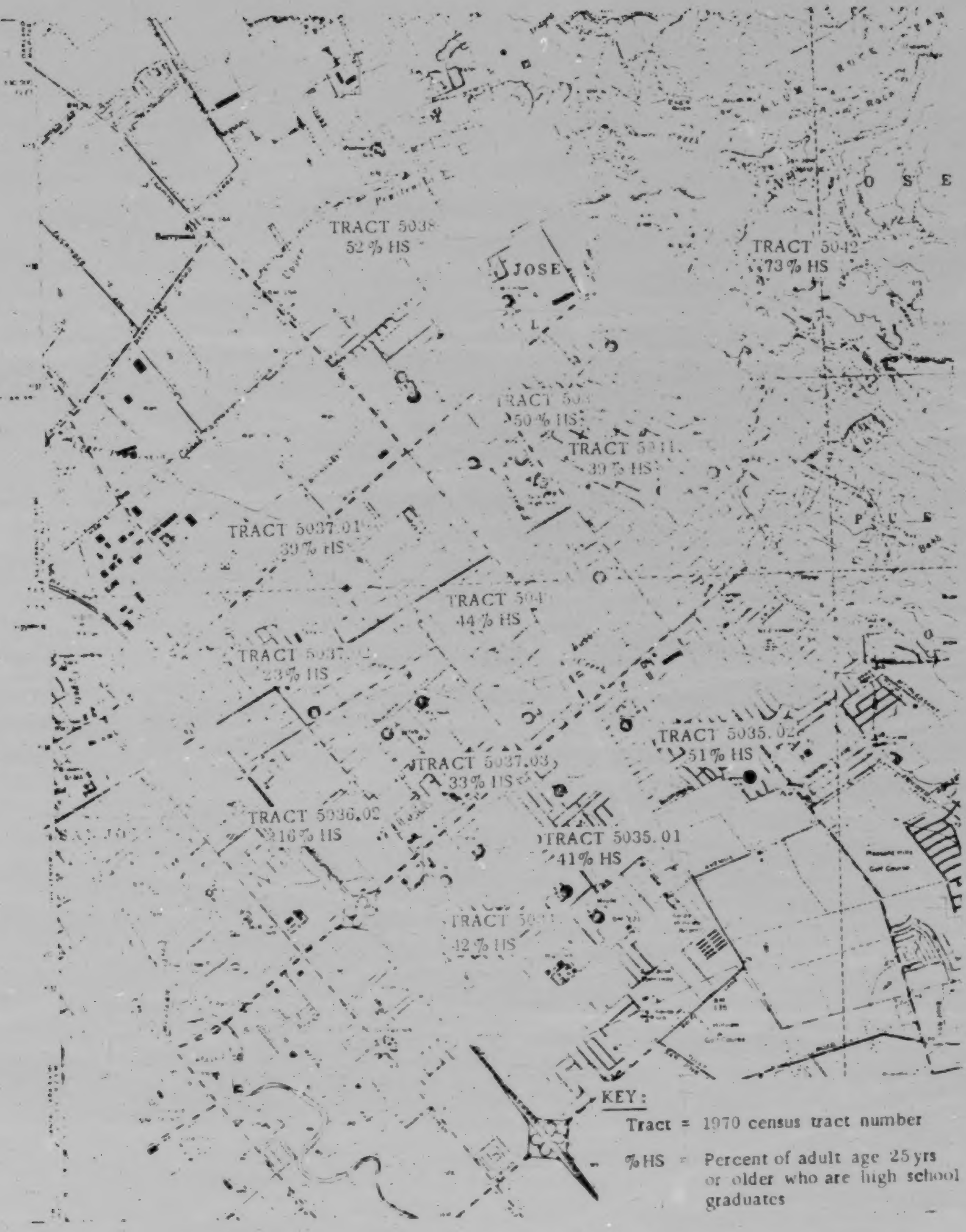
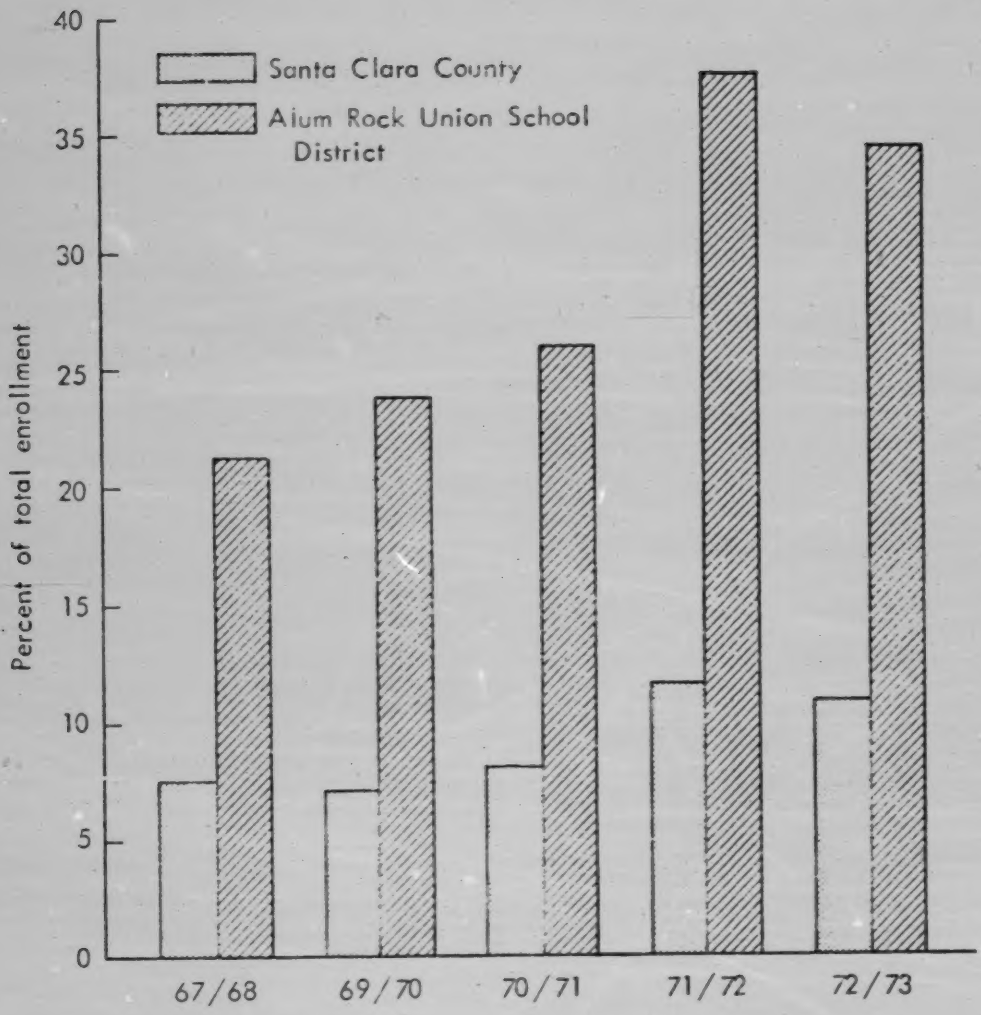


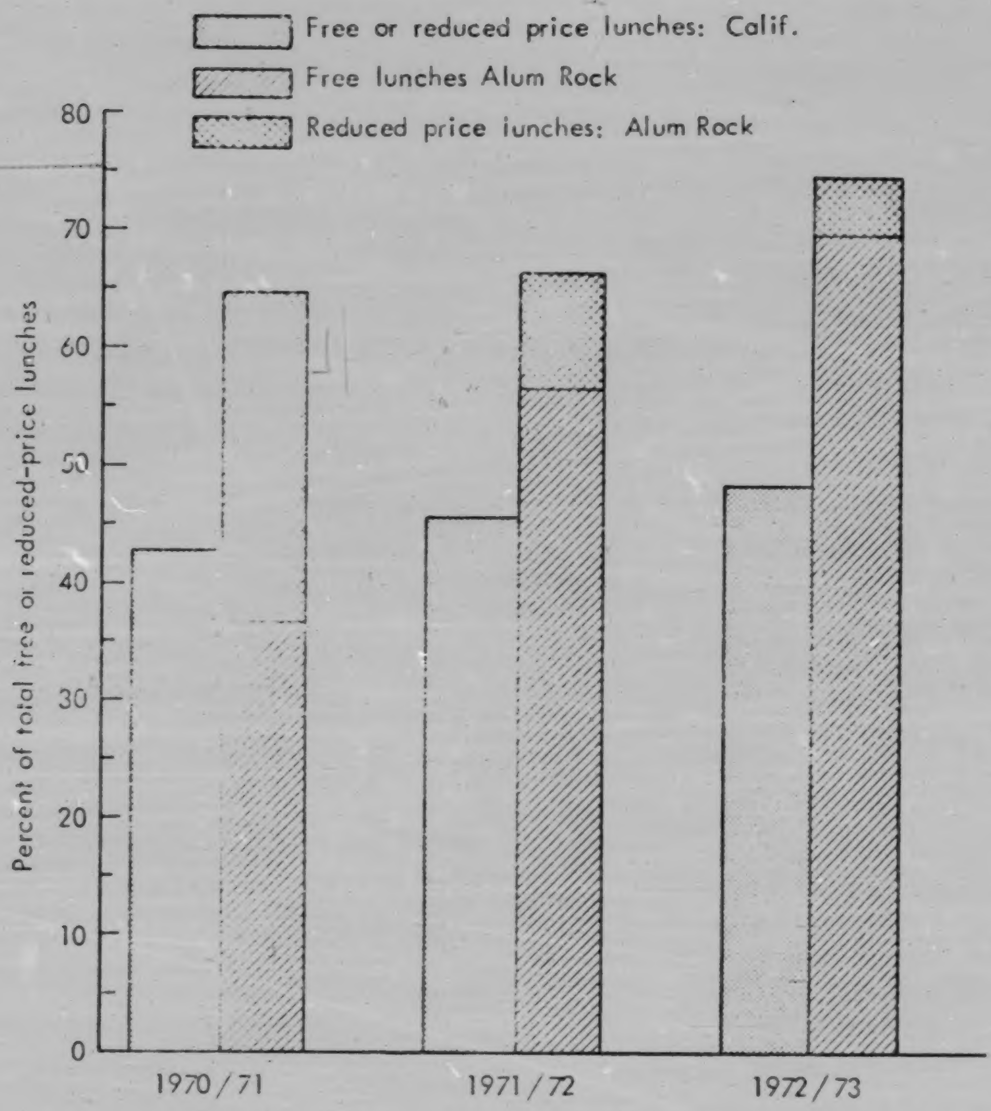
Fig. 1.4 — Education level of adults in the Alum Rock area



SOURCES: Santa Clara County Office of Education, Curriculum Office and Alum Rock School District.

NOTE: Data for 1968-1969 are not available.

Fig. 1.5 — AFDC eligibility rates for Alum Rock and Santa Clara County



SOURCES: Alum Rock School District and California Public Schools--Selected Statistics, State Department of Education, Sacramento, Calif., 1972 (annual publication).

Fig. 1.6 — Participation rates in school free or reduced-price lunch programs, Alum Rock and California

American.[*] Mexican-Americans are the largest minority in the San Jose Standard Metropolitan Statistical Area (SMSA), and make up nearly 18 percent of the entire metropolitan area population. This population is concentrated mostly in the east side of San Jose, including Alum Rock.[**]

Blacks constitute 2 percent of metropolitan San Jose's population and 12 percent of the Alum Rock population. There are no identifiable black ghettoes in Alum Rock. Figure 1.7 shows the percentage of minority student enrollment at each of the 24 Alum Rock schools in October 1972. The highest minority enrollments (82 percent) were at Mayfair and Mathson schools in the western "flatland" portion of the district, and the lowest minority enrollments (33 and 47 percent) were at Linda Vista and George schools in the northeast "hill" portion of the district.

### Relationship Between Socioeconomic Status and Ethnicity

Countywide, the economic disparity between Anglos and Chicanos is apparent. Chicanos tend to have disproportionately less education (number of years in school), lower family income, and lower occupational status. Of working males aged 35 or less who have lived in Santa Clara County long enough to have finished school there, 37 percent of Anglos hold jobs in such higher-status categories as sales, administration, business, and the professions. The comparable figure for Mexican-Americans is 9 percent. Conversely, 26 percent of Mexican-Americans are service workers, compared with 5 percent of Anglos.[***]

Blacks show a similar pattern of underrepresentation in the higher-income levels of Alum Rock. Compared with blacks elsewhere in the

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[*] These are people variously defined by the U.S. Census Bureau as "Spanish Heritage" or "Spanish Language or Surname."

[**] All population figures used in this section are drawn from the *1970 U.S. Census of Population*.

[***] These figures have been drawn from two sets of recent data: the Special Census cited in an earlier footnote, and a Rand Corporation study done in 1973, *Mexican-Americans in Santa Clara County*, R-1226-NSF (forthcoming).

United States, however, Alum Rock's black population is better educated and more affluent.

## Citizen Organizations

Politically, the Alum Rock community is heavily Democratic but largely unorganized. There are no Anglo political organizations that concentrate on Alum Rock school issues, although the local Parent Teachers Association traditionally has provided Anglo leadership at the district level and is active in district decisionmaking.

Similarly, there is little organized civic activity within the dispersed black population of Alum Rock, except that blacks controlled the OEO community action groups in the 1960's. There are several black women's organizations affiliated with the National Association of Colored Women's Clubs, but these groups are rarely active in the school decisionmaking processes. At the county level, the National Association for the Advancement of Colored People (NAACP) is somewhat active and there is also a Black Caucus serving as an umbrella organization for black concerns. At various times the Black Caucus or the NAACP has been active in Alum Rock educational issues, particularly the hiring of minority personnel.

By far the most intensive community organizing activity in recent years has been in the Chicano community. The major activist Chicano group is La Confederación de la Raza Unida, an umbrella group. One of the Confederación's constituent groups, the Parents and Students of Alum Rock, has been active on issues affecting the Alum Rock schools, especially those concerning Chicano hiring, bilingual instruction, and parent and student participation in decisionmaking.

A major objective of the Confederación, and other politically active Chicano groups, has been to increase the number of elected Chicano officials in local government. This effort contributed to the appointment of a Chicano city councilman in San Jose and his subsequent election in 1973. Their preoccupation with these electoral efforts and other civic issues may have diverted organized Chicano attention from issues in the Alum Rock school district, including the 1973 election for the Alum Rock Board of Trustees (the local school board). Several

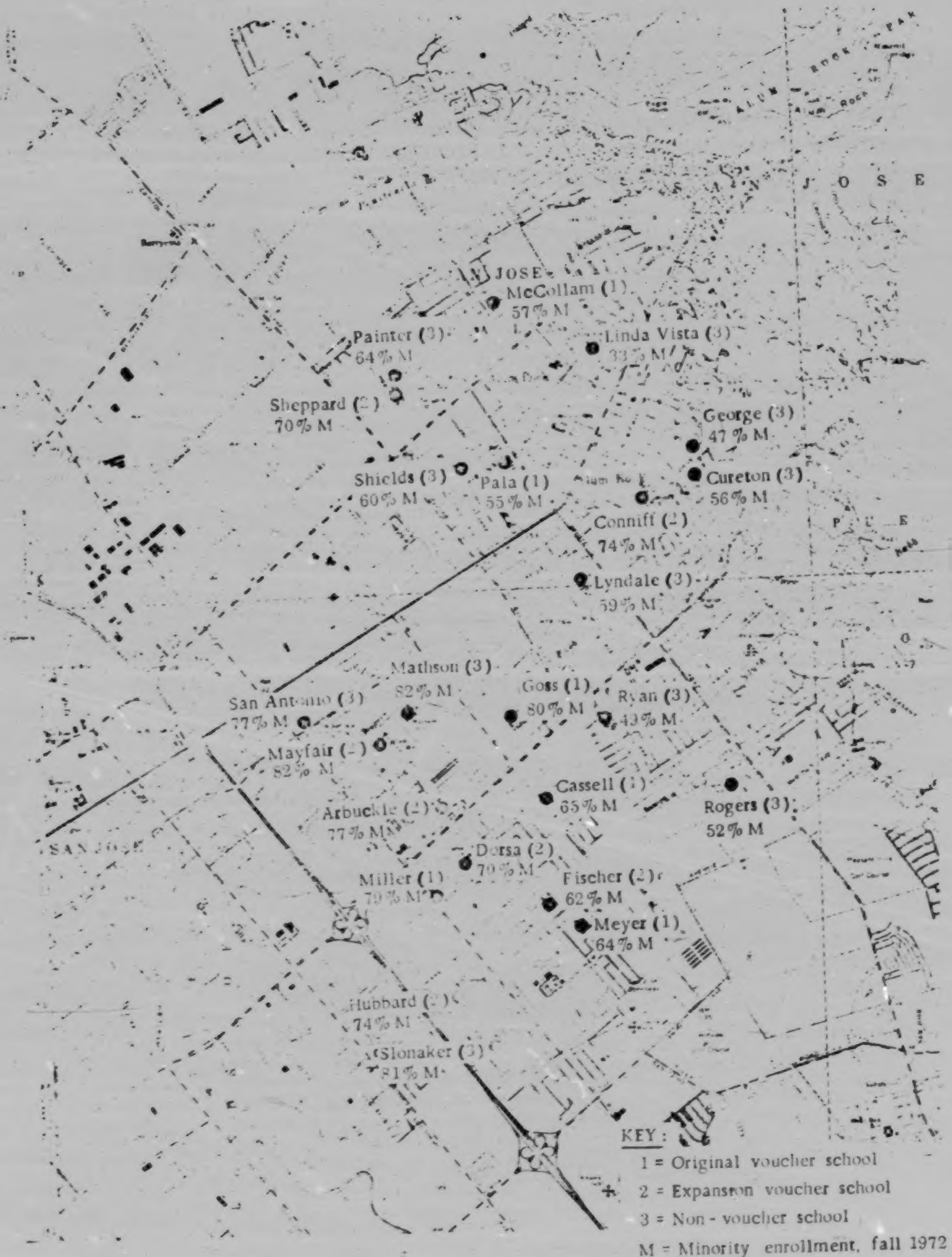

Fig. 1.7 — Minority enrollment in individual Alum Rock schools

Chicano activist candidates were defeated in that election, marked by an extremely light voter turnout--10.4 percent, a thirteen-year low (see Table 1.2).

Table 1.2

SAMPLE OF ALUM ROCK SCHOOL DISTRICT ELECTIONS
AND VOTER TURNOUT: 1960-1973

| Type of Election | Date | Percentage Turnout | Outcome |
|---|---|---|---|
| Bonds ($1,750,000) | 2/9/60 | 31 | Passed |
| Tax rate increase | 2/14/61 | 26 | Passed |
| Bonds ($3,475,000) | 2/5/63 | 26 | Passed |
| Tax rate continuation | 1/25/66 | 22 | Passed |
| Bonds ($4,579,473) | 9/19/72 | 15 | Passed |
| Governing Board | 4/20/71 | 18 | |
| Governing Board | 4/17/73 | 10.4 | |

SOURCE: Santa Clara County Registrar of Voters.

Poor and minority citizens have also been represented in the elective assemblies that form part of the governing structure of local Model Cities programs. Although one of these assemblies is drawn from an area within the Alum Rock school district, and maintains a Youth and Education Committee, it has devoted its energies largely to internal problems, such as cutbacks in federal support of Model Cities and poverty programs, rather than issues affecting the Alum Rock schools.

## Information Media

San Jose has several radio and television stations and receives San Francisco radio and television broadcasts. The major San Jose newspaper is the *San Jose Mercury*. The east side is served by the biweekly *East San Jose Sun*, which offers the most intensive coverage of Alum Rock schools. In 1972-1973 it ran stories on the more innovative voucher mini-school programs and occasionally published photographs of school activities and field trips, as well as progress reports on the voucher demonstration's first year. However, since none of these local media assigned a reporter to cover the Alum Rock schools, most of their reporting was confined to controversial issues coming before the Board of Trustees. In fact, several national news organs, including *The Wall Street Journal, The New York Times*, and the *Los Angeles Times*, have carried as much in-depth reporting about the voucher demonstration as has the local press. However, there has been a definite increase in the publicity and visibility given the district since the inception of the educational voucher demonstration. As one board member put it, "The voucher demonstration put Alum Rock on the map."

## School District Finances

Alum Rock has one of the lowest assessed valuations per student among California school districts of its size. When Alum Rock entered the voucher demonstration in the fall of 1972, the assessed valuation per student was under $6,000, compared with the state average of over $18,000 (see Fig. 1.8). The district's assessed valuation is almost entirely dependent on residential property.*

During fiscal year 1971-1972, the district received almost 51 percent of its operating revenues from the state. The average for all districts in California was 33 percent. In general, in the last ten years Alum Rock has been more dependent on revenues from the state than other districts in California. However, revenue from state sources declined over the years in percent, though not in dollar amounts, which increased, particularly in 1972-1973. Finally, the percentage of revenues from federal sources has increased steadily since 1965-1966, and took a considerable jump in 1972-1973 with the influx of voucher money into the district (Tables 1.3 and 1.4). Federal and state contributions have allowed the Alum Rock school district to spend slightly more per child than the average school district in California. However, the district has traditionally had difficulty meeting its financial obligations. For example, during the summer of 1970, the Alum Rock Superintendent was forced to petition the legislature for special

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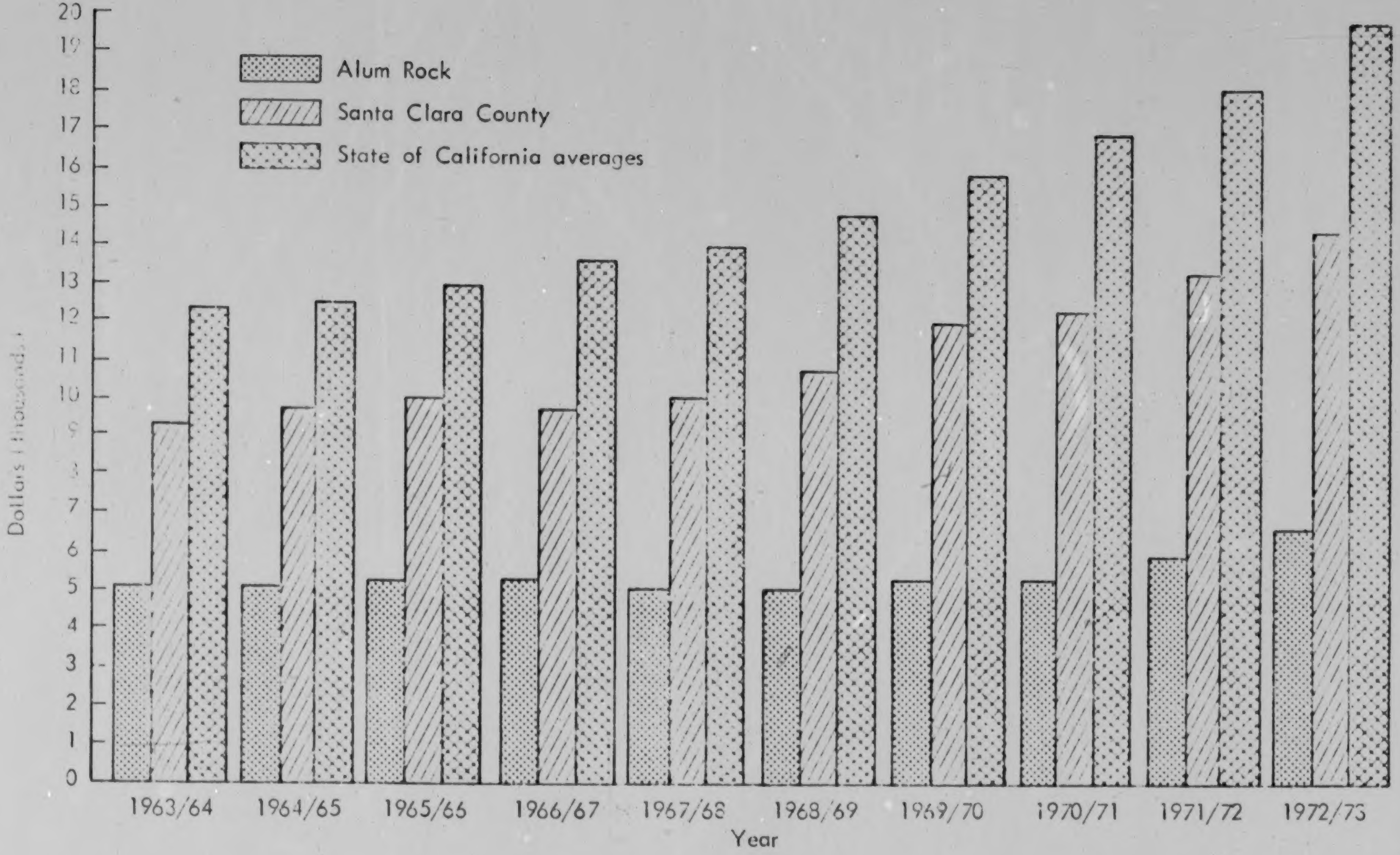
*Department of Education, State of California, *California Public Schools Selected Statistics*, Sacramento, 1972 (annual publication).



SOURCES: Santa Clara County Office of Education, "A Report on Certificated Salaries and Related Information on Santa Clara City School Districts," and California State Department of Education, California Public School Selected Statistics, 1963-1973.

Fig. 1.8 — Assessed valuation per student: Alum Rock, Santa Clara County, and California, 1963-1973

## Table 1.3

## PERCENT OF ALL SCHOOL REVENUES BY SOURCE

| Fiscal Year | Local Sources | | State Sources | | Federal Sources | |
|---|---|---|---|---|---|---|
| | All Dist. in State | Alum Rock | All Dist. in State | Alum Rock | All Dist. in State | Alum Rock |
| 1964-65 | 56.79 | 32.0 | 38.13 | 64.6 | 2.65 | 0.9 |
| 1965-66 | 55.63 | 32.3 | 37.86 | 62.3 | 3.89 | 0.8 |
| 1966-67 | 56.02 | 33.4 | 34.94 | 55.8 | 6.64 | 6.3 |
| 1967-68 | 54.96 | 28.6 | 36.14 | 60.7 | 6.47 | 4.8 |
| 1968-69 | 56.32 | 25.8 | 34.77 | 60.2 | 6.16 | 7.4 |
| 1969-70 | 55.06 | 30.1 | 36.64 | 61.7 | 5.62 | 6.8 |
| 1970-71 | 55.22 | 35.8 | 35.78 | 57.1 | 6.24 | 6.8 |
| 1971-72 | 59.71 | 38.8 | 32.92 | 50.7 | 7.37 | 7.8 |
| 1972-73 | N.A.[a] | 38.3 | N.A. | 46.6 | N.A. | 13.6 |

SOURCE: Alum Rock School District, *A Community Guide to School Finance: A Handbook to Citizen Participation in the Alum Rock School District Budget*, 1973.

[a] N.A. = not available.

## Table 1.4

## SOURCES OF SCHOOL REVENUES IN ALUM ROCK

(In $)

| Year | Federal | State | Local |
|---|---|---|---|
| 1969-70 | 803,379 | 6,694,915 | 3,137,555 |
| 1970-71 | 1,019,818 | 7,136,967 | 4,066,062 |
| 1971-72 | 1,440,341 | 7,085,351 | 4,847,184 |
| 1972-73 | 2,718,422 | 8,465,220 | 5,449,776 |

SOURCE: J-41, the State Budget Document of California.

NOTE: These are revenues from the General Fund only, and do not include revenues from Bond Interest and the Redemption Fund, Building Fund, State School Building Fund, Public School Building Fund, Cafeteria Account, or Children's Center.

legislation to make a loan available so that Alum Rock could meet its payroll.

At the inception of the demonstration, Alum Rock had one of the highest property tax rates in the county and state. While the median county tax rate was $4.09 per $100 of assessed valuation, and the median state tax rate was $2.42, the Alum Rock tax rate was $4.82.* All the district's schools have been built under a State of California School Building Aid Program. To do something about its inadequate finances, the district has been instrumental in forming a State Coalition of Low Wealth School Districts to lobby for fiscal aid in Sacramento.

Of the 1972-1973 school district budget, 76.4 percent went into instruction, and 4.1 percent into administration.** While the percentage of the budget spent on instruction has remained fairly constant over the last few years, there has been a marked increase in teachers' salaries. Between 1961 and 1971, Alum Rock's median teachers' salaries were slightly below or on the same level as those for Santa Clara County and slightly above those for the State of California (Fig. 1.9). This changed during the 1971-1972 school year when, because of a new contract, monthly salaries of Alum Rock's teachers rose above the county's median by $579 and above the state median by $1,383.

## Teacher Hiring Patterns

As enrollment leveled off and began to show a slight decline, Alum Rock hired considerably fewer new teachers. The number of minority teachers has increased, however, because of the growing proportion of minority students in the system, the growing pressure from minority groups for more minority teachers, and strong support in recent years for affirmative action by the Board of Trustees and top school administrators. In the fall of 1972, among teachers and other certificated

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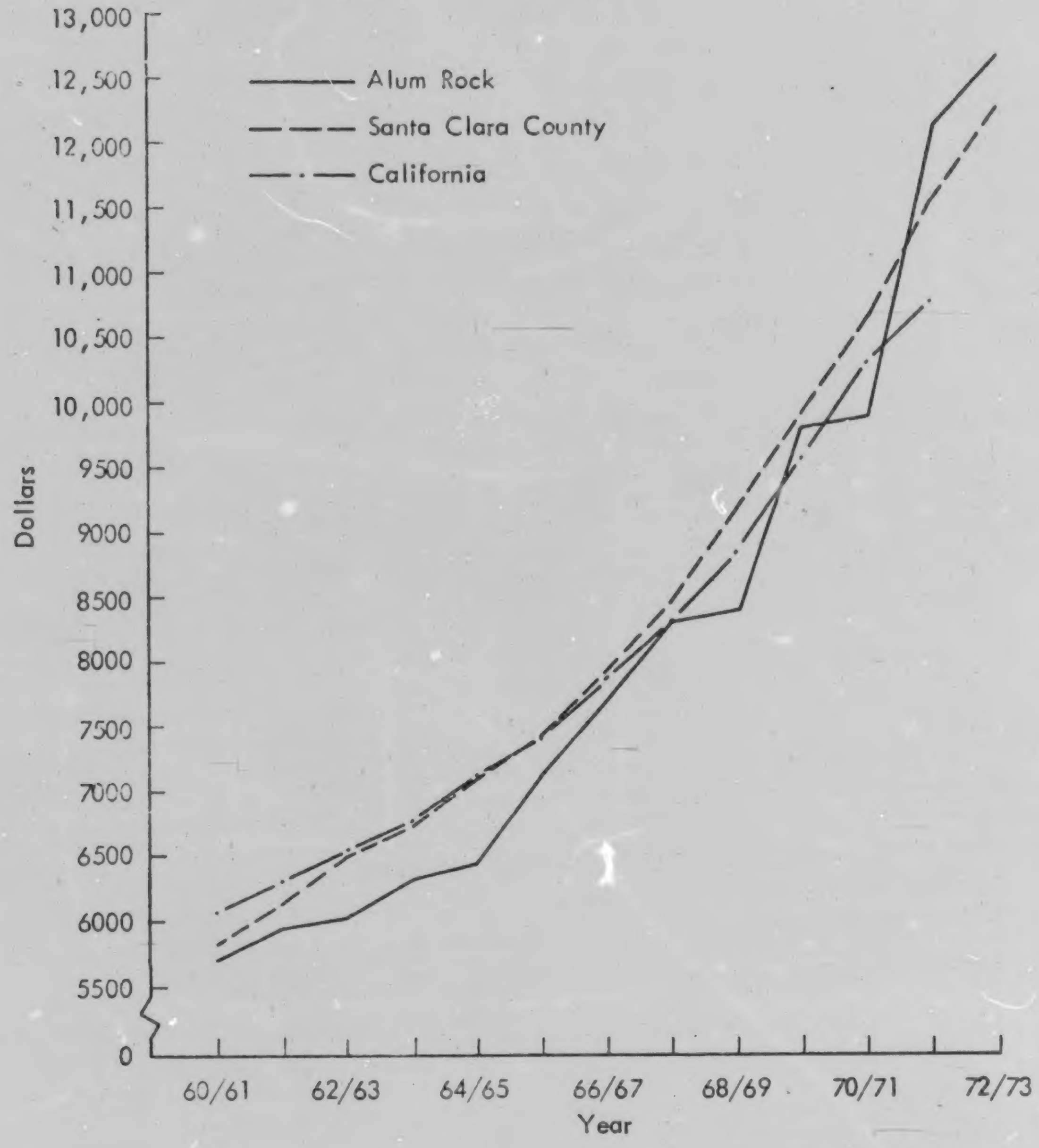
* These figures were calculated from data provided for the year 1971-1972 by the California State Department of Education. Only those data from elementary districts with an Average Daily Attendance (ADA) greater than 1000 were used. Property in California is assessed at 25 percent of market value. As a result of SB 90, the California tax reform-school finance act passed in 1972, the estimated Alum Rock tax rate for 1973-1974 has been reduced to $4.30.

** Alum Rock School District, *A Community Guide to School Finance: A Handbook to Citizen Participation in the Alum Rock School District Budget*, 1973.



SOURCES: Santa Clara County Office of Education, A Report of Certificated Salaries and Related Information for Santa Clara County School Districts, (annual publication) and Bureau of Administrative Research and District Organization, California State Department of Education, Salaries of Certificated Employees in California Public Schools 1971-72.

Fig. 1.9 — Median teacher salaries—Alum Rock, Santa Clara County, and California, 1960-1973

employees at Alum Rock schools, approximately 11 percent were Spanish-surnames and 8 percent were black.* This trend has been accompanied by the formation of a Chicano Educators Association and a Black Educators Association. These groups meet regularly and are consulted by the Superintendent on policy matters of special interest to them.

## Low Levels of Community Activism and Parental Pressure

Perhaps as a consequence of the low socioeconomic status of the district's residents, political activity centering on the schools has always been limited in Alum Rock. Voter turnout in elections tends to be low, election outcomes tend to mirror district policies on bond issues, and incumbent members of the Board of Trustees are usually re-elected. Board meetings are rarely attended by more than a handful of parents, and attendance is similarly sparse at school citizen advisory group meetings.

While there are few pressure groups acting on the district, they are influential. In the past three or four years, significant pressure has been applied to the district by Chicano community groups advocating affirmative action in employment and expansion of bilingual instruction. Although not a broadly based movement even within the Chicano community, their pressure has been persistent and has been taken seriously by the Board of Trustees, the administrative staff, and teachers.

## Summary

The Alum Rock school district is characterized by a rising proportion of minority student enrollment, a transient and relatively poor community, and a low level of community political activity relating to school issues. The district is among the poorest of its size in California and has had difficulty meeting its financial obligations in recent years. Partially as a response to community requests, and to administrative commitments to affirmative action, the proportion of minority teachers hired by the district has steadily increased. All these factors probably contributed to Alum Rock's willingness to enter into a voucher demonstration.

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*Alum Rock Union School District, "October 1972 Racial and Ethnic Data" (Revised, December 13, 1972).

# Chapter 2: The Design of the Alum Rock Demonstration: From Theory to Practice

In this chapter we explore the initiation and development of the Alum Rock demonstration from March 1970 to September 1972. During this period, Alum Rock undertook and completed a feasibility study of the voucher plan; subsequently changed significant aspects of the original proposal of the Center for the Study of Public Policy (CSPP); and mobilized to implement this new version of the voucher concept in September 1972. Thus, the forces at work during the period considered in this chapter decisively shaped key structural aspects of the demonstration.

## Federal Promotion of Feasibility Studies

The Center for the Study of Public Policy submitted a preliminary version of its report to the Office of Economic Opportunity in March 1970. This report advanced the regulated compensatory version of the voucher concept which immediately became the blueprint for further OEO efforts to promote vouchers. The promotion of "demonstrations" of the voucher concept advocated by CSPP became the responsibility of the Division of Experimental Research within OEO's Office of Planning, Research and Evaluation.

The Division of Experimental Research contracted with CSPP to mount a program to persuade local school districts to conduct studies on implementing a voucher demonstration. CSPP was expected to organize a field program in many localities and to display considerable political, as contrasted with academic, skills. CSPP's field staff apparently lacked any direct experience in school administration or local school politics and did not include any minority members. This proved to be disabling because both OEO and CSPP assumed that poor and minority communities would be their most active ally in causing local school districts to participate in voucher demonstrations.

This assumption grew out of the fact that OEO saw poor people as their natural political constituency. Further, the regulated compensatory voucher plan had been drawn up with particular attention to the interests of poor families.

In the summer of 1970, CSPP sent letters, on behalf of OEO, to superintendents of major school districts throughout the country, particularly to low-income areas with high minority concentrations. The CSPP letters briefly explained the proposed "regulated compensatory voucher" system and asked interested school districts to contact OEO for further information.

School districts could apply to OEO for a grant to conduct feasibility studies of the voucher proposal. As a condition of such grants, the local school board had to select an advisory committee representing a cross section of the community to participate in the study. At the completion of the feasibility study, the school board would examine the regulated compensatory voucher model, aided by advice from the community advisory committee, and decide whether to apply for a planning grant.

School districts in Gary, Indiana; Seattle, Washington; San Francisco, California; Rochester, New York; and Alum Rock applied for and received feasibility grants. In every case, except Alum Rock, the school boards decided not to implement a voucher demonstration.*

Based upon OEO reports and interviews with OEO and CSPP staff members, the following appear to be the major reasons why the voucher concept failed to survive feasibility studies except in Alum Rock:

1. In early feasibility studies (Gary, San Francisco, Seattle), vouchers represented a concept without an operating example to study. Thus, the pitfalls and problems inherent in a voucher model were unclear.
2. Several of the districts already had severe problems, often related to racial inequality and racial integration in education. These controversies spilled over into their debate

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*As of May 1974, New Rochelle, New York; East Hartford, Connecticut; and the State of New Hampshire were completing feasibility studies. Their future participation in a voucher demonstration is uncertain.

over vouchers and it was politically impossible for local school boards to take on another controversial issue. In particular, the free parental choice under voucher plans had unclear portents for racial isolation in the schools.

3. Important national and local organizations adopted strong positions opposing vouchers. Included among voucher opponents were the National Education Association, the American Federation of Teachers, the National Association for the Advancement of Colored People, and a number of organizations dedicated to preserving strict separation of church and state, including a number of prestigious Jewish organizations. Everywhere but in Alum Rock, the local teacher's organizations opposed participation in a voucher demonstration.
4. Vouchers had no political constituency. The Catholic Church and other church-related school systems failed to rally in support of vouchers because the regulated compensatory model posed grave perils to the continuation of religious instruction within a voucher system. In addition, poor and minority parents tended to be either indifferent or hostile to the voucher concept. This hostility was a source of major disappointment to the CSPP and OEO staff. The hostility appears to have been due to several causes:
    a. The free choice aspects of the plan sounded similar to the basic mechanism of the "White Academies" that had been organized in the South in an effort to maintain school segregation.
    b. The voucher plan smacked of educational experimentation, a notion deeply offensive to many poor and minority parents who demanded better education for their children rather than "more experimentation." The idea of "experimenting with children" proved distinctly unpalatable to parents.
    c. OEO, an agency that styled itself a "champion" of poor people, had begun to lose much of its lustre in poor communities by the end of the 1960s. A

number of poverty programs were being cut back, and OEO's sponsorship of vouchers simply added another element of uncertainty to the whole proposal.

   d. The absence of minority members on CSPP's field staff did nothing to strengthen the organization's credibility in minority communities.

5. Finally, apparently there were no established figures in local school administrations who were advocating vouchers. The CSPP and OEO field representatives were unknown to local school superintendents and thus were unable to exploit informal networks of friends in local school districts.

Only one district responded favorably--Alum Rock.

## The Alum Rock Feasibility Study

Superintendent Jefferds first learned of the OEO's interest in vouchers when in June 1970 a CSPP field representative addressed the state executive committee of the PTA, a group on which Jefferds then served.

Several elements in the voucher proposal appealed to Jefferds. First, vouchers would bring additional federal dollars to support change processes in Alum Rock. Second, vouchers emphasized parent participation in school decisionmaking, a concept supported warmly by Jefferds. Third, the structure of the voucher demonstration was consistent with his own desire to decentralize authority within Alum Rock down to the individual school level. Nor was Jefferds put off by the fact that other superintendents were not participating in the voucher effort.*

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*Indeed, Jefferds was accorded a very cool reception at meetings of local superintendents after Alum Rock's participation in vouchers became well known. One superintendent walked up to Jefferds and said, "I can't imagine that you could have done anything more serious (than vouchers) to damage public education in this country." In response, Jefferds has spoken widely throughout the state to groups of administrators on the Alum Rock demonstration and his belief that the voucher concept, as practiced in Alum Rock, will strengthen public education.)

Jefferds persuaded the initially unenthusiastic Board of Trustees to apply at least for a feasibility study of vouchers. In February 1971 Alum Rock received $19,230 from OEO to perform that study.

The district formed a broad-based Educational Voucher Committee (EVC) to oversee the study and hired the Center for Planning and Evaluation (CPE), an arm of the Santa Clara County Office of Education, to perform staff services for the EVC. CPE assisted in the sampling of public and staff opinion, both through surveys and public forums; explored possible parochial and private school participation in a voucher demonstration; and examined other legal and technical questions raised by the voucher proposal.

CPE also asked other local school districts whether they might have available space to accommodate voucher students. Of the six districts surrounding Alum Rock, only two offered some hope of possible openings. Enrollment in these other districts was growing, and they had little enthusiasm for the voucher concept.

Inquiries to existing private and parochial schools evoked a gamut of responses running from hostility to enthusiasm. However, most of the private schools' tuition charges exceeded the combined basic and compensatory voucher then being proposed for the demonstration. Further, there were no nondenominational private schools within ten miles of the Alum Rock district. Several parochial schools in the immediate vicinity were interested, but all expressed concern about a possible loss of authority over curriculum and admissions as a result of participation.

CPE also made some effort to elicit interest in the formation of new schools. In March 1971, an article on the subject was published in the "Superintendent's Bulletin," a publication of the Santa Clara County Superintendent of Schools. Over 50 responses were received. Most of the respondents were employed in the public schools; some teachers, a few principals, and one former assistant district superintendent expressed interest. Two corporations, Behavioral Research

Labs (BRL) and Westinghouse Learning Corporation, indicated they might be interested in starting new schools.[*]

The Educational Voucher Committee also convened several public meetings to hear community sentiment concerning vouchers. The meetings proved to be a disaster for voucher proponents. The *East San Jose Sun* reported:

> At one point during testimony at the Alum Rock School District's first public hearing on the voucher system, a small child babbled several words which appeared to convey a pleasurable connotation.
>
> This was the only discernible positive note voiced from the audience of several hundred persons during the three hour public forum at Sheppard School Monday night.
>
> If there's anyone in the school district who favors the concept, which would allow parents to enroll children at the school of their choice, they are lurking behind the scenes. Numerous parents, few who appeared to represent special interest groups, voiced their opinion on the controversial plan following statements by several persons involved in the study. No one from the audience spoke in favor of the voucher.[**]

Superintendent Jefferds, who several years earlier had met an onslaught of negative public testimony during a series of public forums on plans for desegregation, began to wonder why he had repeated the same tactical blunder. CSPP, concerned that their best hope for a demonstration was going down the drain, dispatched one of their field representatives, Dr. Joel M. Levin, to Alum Rock.

Levin initiated a series of meetings with school staffs in the hope of allaying fear and opposition. He placed special stress on meetings with minority group representatives, particularly in the Chicano community, in the hopes of building local minority support for vouchers. But his efforts met with indifference and resistance, as had CSPP's prior search for minority group support.

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[*] BRL subsequently collaborated with several "mini-schools" in the demonstration. One mini-school, which used BRL materials exclusively, was called the "BRL mini-school."

[**] Quoted from *Final Report, Alum Rock Union Elementary School District: Voucher Feasibility Study*. The Center for Planning and Evaluation, San Jose, California, April 1, 1971, Appendix E.

CPE pressed forward with surveys of community and staff sentiment. The surveys portrayed a different picture from that observed in the public forums:[*]

| | Yes | No | Undecided |
|---|---|---|---|
| I would want my children to participate in this (voucher) program | 26% | 23% | 51% |
| The voucher plan is a good idea for the district to explore | 40% | 16% | 43% |
| I am well informed about the voucher plan | 32% | 51% | 17% |

The survey thus tended to show that many parents were uninformed about vouchers but, of those who had an opinion, as many favored it for their children as opposed it, and felt that there was public support for further exploration.

Seventy-two percent of the district's staff responded to the staff survey as follows:

| | Agree and Strongly Agree | No Opinion | Disagree and Strongly Disagree |
|---|---|---|---|
| I am well informed about the voucher plan | 53% | 16% | 27% |
| The voucher plan has potential for enhancing education | 46% | 19% | 31% |
| I would work in an experimental school if the salary was compatible with my present job | 61% | 15% | 12% |

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[*] From *Parent and Staff Surveys from the Voucher and Feasibility Study Final Report*, Center for Planning and Evaluation, April 1971.

| | Agree and Strongly Agree | No Opinion | Disagree and Strongly Disagree |
|---|---|---|---|
| The Alum Rock school district should continue to explore the voucher plan as a possible course of action | 51% | 11% | 29% |

The staff survey proved to be helpful. When the Superintendent saw the results of the staff survey, he decided that the school staff was behind him and that a demonstration could be implemented. Still, the Educational Voucher Committee remained unconvinced. It appeared that a majority of EVC was prepared to advise the Board of Trustees against participation in a demonstration.

As the feasibility study drew to a close in the spring of 1971, voucher proponents seized upon the fact that the Legislature had not yet acted on pending voucher legislation. Since it was not clear that a voucher demonstration was legal under state law, they urged the Educational Voucher Committee to recommend that the Board of Trustees reach no judgment until the Legislature had acted. This strategy induced the Board to declare a moratorium on further discussion of the voucher plan until the state law was affirmed or modified by the Legislature.* An immediate defeat of vouchers was thus narrowly averted.

## The Transitional Model Compromise

In June 1971, two months after the feasibility study, Superintendent Jefferds asked OEO to support a program of "organizational development and management retraining" for the district. A voucher demonstration, and the associated decentralization process, he argued, would require district and school staffs to undertake professional risks and require better intragroup communication and problem solving skills. Jefferds urged OEO to fund a contract with the Center for Human Resources and Organizational Development (HRC) to accomplish these objectives.

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*Provoucher legislation was subsequently defeated, as were later attempts to modify state law to permit private school participation in voucher demonstrations. In 1973 the California Legislature passed and Governor Reagan signed a bill, SB600, to facilitate four additional demonstrations of the "transition" variety implemented in Alum Rock.

OEO was unfamiliar with HRC training methods or what they might accomplish. However, after almost a year of intensive effort to interest local school districts in implementing a voucher demonstration, only Alum Rock remained as a serious candidate. It was also clear that Superintendent Jefferds was a central actor in the Alum Rock situation. With the proviso that the HRC training be tied to participation in a voucher demonstration, OEO decided to fund the HRC effort as the first move toward involving Alum Rock in a voucher demonstration.

HRC began work with a handful of principals and school staffs in the fall of 1971. Each of the participating schools had previously expressed interest in being involved in the decentralization process. No specific commitment to vouchers was required at that time.*

By January 1972, it had become clear that the State Legislature was not about to adopt legislation permitting a voucher demonstration with private school participation. At the same time, OEO came under increasing outside pressure, including some from the Congress, to show some tangible results from its controversial flirtation with the voucher concept. OEO officials feared that unless there was a demonstration in the near future, further planning money would be cut off.

In January 1972, Jeffry Schiller of OEO visited the district hoping to devise a plan that would permit a demonstration to go forward. Jefferds (with Schiller's consent) decided on the ingenious idea of mounting a "transition" voucher demonstration. In effect, they proposed that Alum Rock initiate a voucher system that would operate within the confines of the public school system. Participating Alum Rock schools would create alternative school programs--mini-schools--that would offer a range of choices to the parents, who would be permitted to enroll their children in the school of their choice. The "public school only" model was termed a "transition model" because it represented an intermediate stage between current public school practices and a full voucher model.

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*See Chapter 6 for a discussion of the HRC training process and its impacts.

Reaction to the compromise, which embodied the best features of the voucher plan, from the standpoint of the district, while avoiding the more controversial features of the concept, met with approval, particularly from the school staff. The district would receive federal funds for innovations and the process would be consistent with the movement for decentralization within the system. The compromise eliminated the controversy over church-state separation, because private and parochial schools would be barred. For its part, OEO would achieve the first tangible commitment of a local school district to a voucher-type demonstration. While some OEO and CSPP members protested that the compromise was an unacceptable dilution of the CSPP model, the transitional voucher model won approval in Washington.

On March 8, 1972, the Alum Rock Board of Trustees unanimously authorized the Superintendent to develop a formal proposal to OEO. Because Jefferds had no staff readily assignable to the task, Levin and other staff members from CSPP, OEO and HRC were assigned to develop a detailed proposal. To insure adequate consultation with interested groups in the district, Levin and his colleagues convened a three-day conference, starting March 21, at nearby Santa Clara University. Approximately 55 people attended, including principals, teachers, and parents from the six schools that had expressed interest in voucher participation and become involved in HRC training, along with representatives of the Teachers Associations, the PTA, and the district central staff. The transitional voucher model proved acceptable to the Santa Clara conference but significant provisos were added.

The response of parent representatives at the conference was perhaps the most surprising. Rather than devote their energies to creating a system of maximum parent choice and parent participation, they were preoccupied with building safeguards to forstall disruptions of the existing pattern of student attendance. They feared that the voucher system would force their children to attend schools other than their current, neighborhood school, mainly because of the "lottery" feature of the admission system, as proposed by OEO to avoid discrimination within a public-private demonstration. The notion of having their children placed in schools by an impersonal and random lottery was unacceptable to the parents. They insisted that currently enrolled students in each school slated for voucher participation be guaranteed the right to remain at that school, and that the "siblings" of currently enrolled students (younger brothers and sisters) be guaranteed placement at the same school if they desired. These proposals were accepted and have since been termed the "squatter's rights" aspects of the voucher system.

Second, the parents did not want to be forced to choose a school other than their neighborhood school should the neighborhood school decide to implement an alternative educational philosophy unacceptable to them. Therefore, they urged that each voucher school be required to offer at least two distinct educational alternatives or "mini-schools." Ultimately, the six participating schools offered 22 mini-schools and the "mini-school" aspect of the demonstration would lead to some of the most interesting consequences of the first year.

Third, the parents did not wish to see the demonstration's guidelines for the voluntary transfer of students among "mini-schools" to create chaos during the school year. Therefore, a rule was adopted restricting transfers among mini-schools to quarterly intervals.

The principals at the conference were apprehensive that the voucher demonstration might be an additional source of centralized direction and authority within the district, and place that authority in the hands of unsympathetic "outsiders," and that the demonstration would impose an impossible administrative burden upon them.

First, the principals urged that no new central staff unit be created to manage the demonstration. Instead, they wanted the demonstration to be supervised by the Superintendent with the possible aid of a token enlargement of his personal staff. This objection to the creation of a "voucher management staff" was strongly resisted by the OEO staff and the Superintendent, who were convinced that the work involved in initiating the demonstration required a separate central staff unit functioning under his general supervision. After vigorous debate, the Superintendent won out on the creation of a new staff unit.

Second, the principals had grave apprehensions about the possible power of the proposed Educational Voucher Advisory Committee (EVAC). Because California state law forbids the Board of Trustees to delegate any of its decisionmaking authority to other groups, it was legally impossible to create an independent Educational Voucher Authority as originally envisioned by CSPP. Instead, it had been suggested that an EVAC, composed of equal numbers of parents and school staff members, would oversee the demonstration and advise the Board of Trustees on policies governing the demonstration. Although the EVAC remained a part of the proposal ultimately submitted to OEO for the first year of the demonstration, its functions and authority were described only vaguely, thus partially allaying the principals' reservations. In large part these reservations were the product of past controversies involving school administrators and school staffs, on one side, and Parent Advisory Committees required under the Title I compensatory education program of the federal government on the other. Parent Advisory Committees had veto power over budgets for the expenditure of Title I money at individual schools. In an earlier controversy, the parents had taken their case to the Board of Trustees and with the Superintendent's support, had won. This led some principals and teachers to believe that the committees were attaining too much power.

Third, principals insisted that a portion of the federal financial support be earmarked for the hiring of additional administrative assistance at the school site. This proposal was accepted by OEO and, in most cases, the money was used to hire full-time Assistant Principals.

Fourth, the principals disagreed with suggestions for "cross-management" of schools then being discussed. Under the "cross-management" concept, the business and managerial functions of principals would be separated from their functions as curriculum and instructional leaders. Each school would have a "business manager" and other persons would become "program managers" of one or more mini-school programs at different school sites. Thus, "program managers" would be identified with specific instructional programs rather than with specific school sites.

Although the principals would have been free to assume one or the other of these new roles, the "cross-management" idea introduced another source of difficulties, uncertainties, and risks for them. They succeeded in winning a moratorium on discussion of the "cross-management" concept for the first year of the demonstration.

In addition to sharing interest in some of the issues already mentioned, teachers' representatives were determined to protect the job rights of teachers within the voucher demonstration. The inclusion of a $36,000 teacher "buy-up" fund within the OEO grant was a response to these concerns. The teacher "buy-up" fund was intended--as a last resort--to pay the salaries of any teacher displaced by the voucher demonstration and unable to find employment elsewhere within the district. It proved unnecessary to expend any of these funds during the first year of the demonstration.

OEO representatives at the conference sought to maximize the similarity between the original CSPP proposal and the guidelines for the Alum Rock "transition model." The OEO representatives also supported a strong role for EVAC.

In the hope that community-initiated alternatives to existing Alum Rock schools might be organized during the first year of the demonstration, OEO pressed for and secured a provision for a $15,000 fund to aid in planning such initiatives. (See Chapter 5 for an examination of the fate of one "community-initiated" school.)

Further, OEO sought to decentralize some central office functions. Some services were provided to the schools, based not upon school requests for such services but on centrally determined formulas and standard operating procedures. Included in this category were nursing, psychological, maintenance, audiovisual, and curriculum coordination services. The proposal, as ultimately written, provided for school discretion with regard to the purchase of some of these services (see Chapter 3).

Having had prior experience with the fickle nature of federal funding for local school programs, the Superintendent insisted that OEO commit itself to two-year funding for the demonstration. Thus, if either the district or OEO wished to terminate the demonstration at the end of the first year, the district would have federal funds to phase out the demonstration. OEO agreed to this two-year funding commitment.

In this respect, and in many others, OEO was not in an advantageous negotiating position vis-à-vis the district, since Alum Rock was the only serious prospect for a voucher demonstration in the entire nation. This remained the case throughout the first year of the demonstration.

The broad outlines of the agreement hammered out at Santa Clara were:

> 1. The parents of each participating child will receive a voucher (or certificate) which will be worth the current average cost of educating a child in the Alum Rock school district.
> 2. Each participating public school will develop two or more alternative, distinct educational programs. These alternatives will be developed with the active cooperation of the participating community. During the course of the experiment, we will cooperate in the development of programs sponsored by groups not currently in the public school system, and these programs, through individual contracts with the School Board, will be governed by the same rules as the public schools.
> 3. Each parent will select for this child an educational *program* and school building in accordance with his evaluation of the educational needs of his child, and each child will be assured of placement in the first choice program. Students currently enrolled, and their incoming siblings also, will be guaranteed the right to remain in the school building they are presently attending.
> 4. Admissions to each program and building will be made in a way that will maximize the satisfaction of each participant. Each new enrollee will have equal access to every program and building in the demonstration. If a *building* is over applied, additional capacity will be created, whenever possible. If a *program* is over applied, additional capacity will be created somewhere in the system so that each child will be accommodated in his or her first choice program.
> 5. The vouchers of disadvantaged children will be enhanced by a "compensatory" voucher both to help the schools meet the special needs of these children, and to encourage schools to develop programs to meet these needs.
> 6. The budget of each program will be determined by the voucher money brought by the children who enroll in that program. In the event of transfers, a child's voucher money will be divided equitably between the two programs that he has attended.

> 7. Each program will be required to provide information about its philosophy, practices and finances, and this information will be made available to all participating parents. In addition, community counselors will be provided to consult with parents about program offerings and their children's needs.
> 8. A representative advisory board will be formed to advise the School Board and Administration on decisions relating to the demonstration.
> 9. The community will participate actively in the operation and governance of the transitional voucher demonstration. Individual schools and programs will encourage parental participation at a meaningful level in their respective decisionmaking processes.
> 10. An ongoing evaluation of the transitional voucher demonstration project will be conducted.*

These understandings were turned into a formal proposal by Levin and other staff members of CSPP and OEO. Charges were immediately made, primarily by the principals, that the formal proposal deviated in significant ways from the agreements reached at Santa Clara. This foreshadowed some of the mistrust that would characterize the first year of the demonstration.

The proposal was presented to the Alum Rock Board of Trustees on April 12, 1972, and won unanimous approval. During the same month, formal approval was received from OEO.

In the light of community opposition to vouchers just a year before, the emergence of any coherent proposal from the Santa Clara conference was quite an accomplishment. Certainly the formulation of the compromise "transition" public-school-only concept helped to provide a more favorable climate for a voucher demonstration. In addition, the voucher school principals, when selecting parent representatives to the Santa Clara conference, had paid special attention to inviting minority members. These precautions helped to avoid the type of attacks made upon the earlier EVC on the grounds that it contained only token representation from the minority communities. Some district personnel have

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*[*Transition Model Voucher Proposal*, a proposal to the Office of Economic Opportunity from the Alum Rock Union School District, April 1972, pp. 1-2.

argued that the HRC training, begun the prior fall, had also built support for vouchers. Finally, the speed of the decisionmaking process in the spring of 1972 made it difficult for opposition to form. Final approval came only five weeks after the Board's instructions to prepare a proposal. As we shall note later, the speed of the process caused some difficulty for those engaged in the subsequent implementation process. A conventional response to these complaints would have been to provide more time for planning. But, as the Superintendent has noted, additional planning time would have given the opposition more time to mobilize. In March and April of 1972 a politically acceptable compromise had been facilitated by a more receptive attitude toward vouchers among school staffs. Both OEO and the Superintendent moved at great speed to insure a commitment to a demonstration before that climate had a chance to change.

During this period, faculties at the six prospective voucher schools were asked to vote approval of participation in the demonstration to begin in September 1972. The pattern of response varied, but a consistent factor in each case was the strong leadership provided by the pilot school principals. In each school the principal wanted his faculty to vote "yes." In some cases, teachers interpreted strong stands by the principal as coercion, and reacted adversely. In some cases, principals called for repeated votes by the teachers until participation in the demonstration was approved.

## The Beginning of Implementation

Approval of the "transitional" demonstration in mid-April, and a deadline for the first enrollment in "mini-schools" shortly before the end of school in June, left a scant six weeks to compose "mini-school" program descriptions, conduct a public information program on the nature of the demonstration, and process the first round of parent applications.

Once again the responsibility for administrative coordination was assigned to Levin and other temporarily assigned personnel from OEO and CSPP.

Levin and his staff prepared two documents for public distribution. The first, "What is a Voucher?" was a simple, illustrated booklet describing the voucher demonstration in English and Spanish. The second, "Educational Choices for Your Child," was a compilation of the program descriptions that had been hastily assembled by teachers in the various mini-schools.

The program descriptions were vague in their specifications of the learning experiences to be provided. For one thing, even the teachers were unclear about many operating features of the programs they would institute in September. Both booklets were distributed door to door to the approximately 3,000 families in the demonstration by a bilingual staff of more than a dozen parent counselors.

In addition, public meetings were called at all voucher schools where parents in the demonstration and participating school staffs were invited to discuss the nature of the newly created parental options. There was no time, however, for any significant amount of personal counseling on a one-to-one basis with parents and the professional staff.

In June 1972, the district accepted the first parent applications. The voucher demonstration was finally underway almost two years after Superintendent Jefferds had heard the CSPP presentation to the state PTA executive board.

### Formation of the Voucher Staff

In late spring, the Superintendent announced the appointment of Dr. Joel Levin as Director of the Voucher Project. Levin, with a Ph.D. in Physics and director of a private school in Philadelphia before joining the Center for the Study of Public Policy, became a staff assistant to the Superintendent with direct responsibility for the creation and supervision of a voucher project staff.

Levin had been chosen for several reasons. First, he was knowledgeable about the voucher concept and the proposed demonstration. Second, throughout the period leading to the demonstration, he had maintained a fervent belief in the value of the voucher concept.

However, Levin was an "outsider," not a close associate of any of the six pilot school principals, and therefore seen by many as a man whose first loyalty was to OEO rather than the district.

Given the uneasiness of some of the district staff over the creation of the separate voucher staff, Jefferds thought it best to establish the staff on a basis that would clearly indicate its temporary nature. Therefore, rather than making Levin and his top aides employees of the district, Jefferds decided to contract for the administration of the project with the Sequoia Institute, a nonprofit corporation that had been formed by Levin and several close associates.

Figure 2.1 indicates the administrative relationship of the Sequoia Institute staff to other portions of the district's top leadership. Under this administrative arrangement, Levin has direct formal authority over only his own staff. As a staff assistant to the Superintendent, he has no direct authority over the principals.

Levin turned first to the hiring of aides. The district's proposal to OEO had specified six administering functions of the voucher staff:

1. Information collection and dissemination.
2. Counseling parents to help them understand the nature of the demonstration and the educational options available to them.
3. Fiscal and pupil accounting. Keeping track of student enrollment and entitlement of various schools and mini-schools to the funds allocated to the demonstration.
4. Evaluation. An "in-house" evaluation of the demonstration to help provide information to the parents and the district, and to serve as an "interface" with the separate Rand evaluation.
5. Hearing procedures. Establishing fair, impartial hearing procedures for transfers, dismissals, suspensions, and expulsions.
6. Coordination of the five foregoing functions.

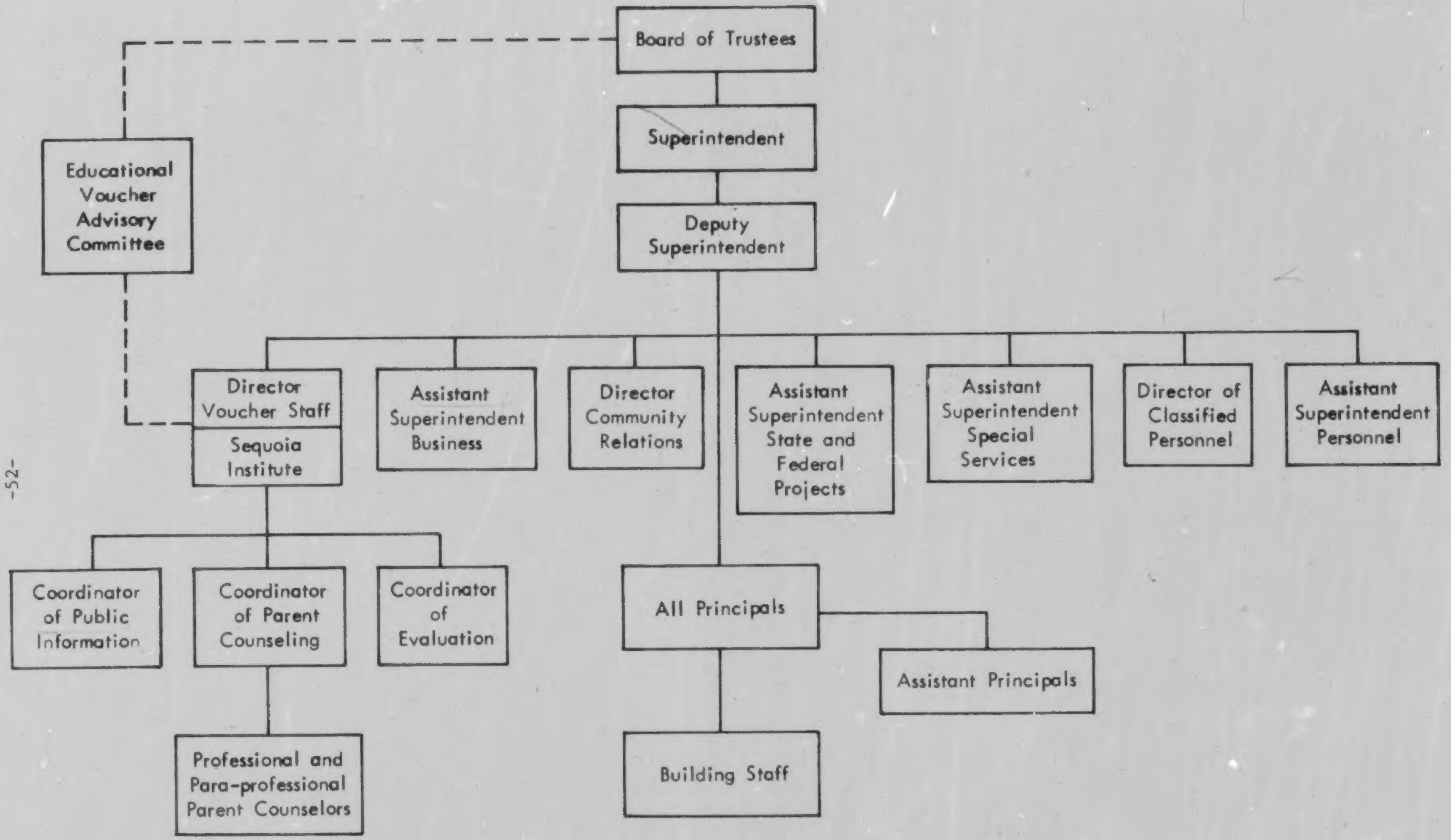
Board of Trustees
Superintendent
Deputy Superintendent
Educational Voucher Advisory Committee
Director Voucher Staff
Sequoia Institute
Assistant Superintendent Business
Director Community Relations
Assistant Superintendent State and Federal Projects
Assistant Superintendent Special Services
Director of Classified Personnel
Assistant Superintendent Personnel
Coordinator of Public Information
Coordinator of Parent Counseling
Coordinator of Evaluation
Professional and Para-professional Parent Counselors
All Principals
Assistant Principals
Building Staff

Fig. 2.1—Alum Rock School District organization

The proposal had specified that, to carry out these functions, the Project Director would have assistants for parent counseling, information, and research and evaluation.

Levin faced a dilemma in the selection of staff. While seeking competent personnel, he felt pressure to select staff who could relate to the principals and who could also build support for the demonstration among minority groups. Conciliation of the principals would have led him to consider candidates who had the confidence of the principals and might already be working for the district. Conciliation of minority groups was particularly urgent because these groups had expressed little enthusiasm for vouchers and a well-respected Chicano (who had applied) had been passed over for Levin's job. Levin decided to select a staff representative of and acceptable to the minorities.

Richard Reyes, an instructor at San Jose State College, and a doctoral candidate at the Stanford Graduate School of Education, was appointed Coordinator of Evaluation. Jesus Sanchez, a community college counselor and a former teacher who was active in Chicano organizations, was appointed Coordinator of Parent Information. In this position, Sanchez supervised two professional counselors already employed by the district and now assigned to vouchers, June Bond and Jeannette Baker. In turn, these professional counselors supervised four parent counselors who were local residents. Ms. Baker was the only Anglo among the original counseling staff. All of the counselors under Sanchez were formally hired by the district, not by Sequoia, even though they had been selected by Sequoia.

The Coordinator of Public Information was to provide information to visitors, relate to media representatives, and respond to invitations from groups outside the district for presentations describing the demonstration. Under the project's original budget, a salary 50 percent lower than that of the other two coordinators was allotted to the Public Information position. After Reyes and Sanchez were hired, representatives of the local Black Caucus visited Levin and expressed anger at the possibility that blacks might not be represented in the top leadership of the Sequoia staff. They demanded that a black be hired for the public information position with a salary equal to that of Sanchez and Reyes. The pressure was only symptomatic of a long-standing, although often covert, competition between blacks and Chicanos for public jobs. Levin acceded to the demand and hired Paul Hutchinson, a black former teacher, as Coordinator of Public Information.

Thus, all of the top positions under Levin were given to minorities. None of these men had ever worked for the district and none was acquainted with any of the principals. In addition, Sanchez was unable to assume his duties until September and thus had to face the full brunt of the parent counseling responsibility without being well acquainted with his own staff.

None of the three men knew each other before their employment by Sequoia. Their lack of knowledge of the district, of the demonstration, and of each other played a crucial role in the emerging politics of the demonstration in the fall of 1972.

# Chapter 3: The Federal Grant

## Introduction

The allocation and earmarking of funds for the demonstration resulted from continued bargaining between local district officials and the relevant federal officials, first domiciled in OEO and then in NIE. The determination of the size of the grant, and categories and requirements within the grant, were key instruments in the exercise of federal control over the demonstration.

It should be noted that district positions in bargaining with federal officials reflected the rivalries between central and social site participants. For example, school principals not only sought increased funds for their own schools; they also exerted pressure for reductions in the scope and authority, and hence the budget, of the central voucher staff.

## Funding

In the spring of 1972, the Office of Economic Opportunity awarded the district a grant of $1.09 million for the conduct of the demonstration during the 1972-1973 fiscal year. This was, in fact, the fourth grant to the district to support voucher activities. Previously, in 1971, the district had received two grants. The first grant of $19,230 was used to initiate the feasibility study. A second grant of $52,765 supported HRC training and two studies by CPE--a survey of community opinion and an evaluation of HRC. Further, the district had received $65,600 for the initial operational expenses of the demonstration from April 1, 1972 to June 15, 1972.*

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*The federal grant to the district by no means provides a total picture of federal expenditures involved in the mounting of this demonstration. Outside of the grant to the district, the federal government also paid for the salaries and expenses of the relevant federal officials concerned with vouchers from 1969 to the present; the research and field work conducted by the Center for the Study of Public Policy; the Rand evaluation; and the costs of the data management contractor, C. M. Leinwand & Associates.

The initial 1972-1973 federal grant for vouchers represented only 6 percent of the total district operating budget of $17,258,038 for the fiscal year. The district also benefited from significant increases in other income sources which, in total, caused the district's 1972-1973 budget to be $2,955,550 greater than actual district expenditures in 1971-1972. Thus, the district's budget increased some 20 percent in one year while enrollment remained stable. The increase of approximately $3 million in the budget was due to increases in federal funding (almost entirely due to vouchers); increases in basic state support for the district; and increases in local property tax income, each in almost equal proportions.

In addition to the initial $1.09 million grant, the district received two supplemental grants of $173,846 in December 1972 and $320,227 in March 1973. Thus total federal support for the district as a result of the voucher demonstration during the 1972-1973 school year was $1.59 million.

Table 3.1 shows the major funding categories for the 1972-1973 grants.

### Central Administration

A definition of "central administration" is in order. Central administrative costs include the budget for the voucher director and staff; support for other central office functions impacted by the demonstration, such as accounting and purchasing; and payments made for "district overhead." One point of contention is this classification may be the inclusion of internal evaluation and parent counseling in "central administrative" costs since these activities were undertaken solely to provide information to parents. We classify them as central administrative costs because the function of evaluation and parent counseling was closely linked to other central voucher staff functions; because evaluation and parent counseling were housed in the central office; because the parent counseling staff undertook work of a clerical nature that otherwise would have become a burden on the central office; and because inherent in the evaluation and counseling

### Table 3.1

### FEDERAL SUPPORT TO THE ALUM ROCK SCHOOL DISTRICT FOR THE VOUCHER DEMONSTRATION* 1972-73 SCHOOL YEAR
(IN $ THOUSAND)

| | | |
|---|---|---|
| I. | Central administration | $ 433.4 |
| II. | HRC training | 69.0 |
| III. | School-site support (indirect impact on instruction) | |
| | a. Administration at school site | 128.5 |
| | b. In-service training for teachers | 280.0 |
| | c. Substitute teachers | 58.8 |
| | d. Busing | 11.0 |
| | Subtotal | 478.3 |
| IV. | School-site support (direct impact on instruction) | |
| | a. Compensatory vouchers | 509.1 |
| | b. Temporary classrooms | 15.0 |
| | Subtotal | 524.1 |
| V. | Teacher salary guarantee | 36.0 |
| VI. | Central staff salary guarantee | 30.0 |
| VII. | Grants to new schools (community) | 15.0 |
| | Total | $1,585.8 |

*All figures represent budgeted amounts, not expenditures.

functions is an implicit thread of centralized monitoring of processes within the demonstration.

In terms of the budget, the major components of central administrative cost were voucher project management, the parent counseling staff, accounting and business functions and district overhead.

The sum of $107,940 was allocated to Seqouia Institute for project management. This expenditure category included support for the salary of the project director and the coordinators of parent counseling, evaluation, and public information.

An additional $91,857 was expended for the professional and paraprofessional parent counselors.

Student and financial accounting expenses were associated with developing and operating systems to track and account for the flow of students and dollars within the demonstration. A portion was spent for additional personnel in the district's business office, including an accountant and other support personnel. A large supplemental grant in March 1973 provided money for efforts to create an income/outgo budget system; a reliable new student attendance accounting system; and to create the necessary computerized student records for the second year of the demonstration. Included in this supplemental grant was $35,000 for "system development" and $10,500 for additional staff. The federal government also paid for an Administrative Intern to assist the district's Assiscant Superintendent for Business in designing an income/outgo budget system. These costs, approximately $86,000 in the first year, will theoretically not be repeated in future grants if the new budgeting and student attendance systems prove popular and reliable.

A number of central office administrators, outside of the voucher staff itself and those new employees wholly supported by federal funds, devoted a portion of their time to activities directly related to the demonstration. The "district overhead" payment, $56,963, computed as a flat percentage of the overall grant, was designed to reimburse the district for the time of central office administrators whose energies were diverted from their normal functions. According to the December

1972 supplemental grant, this "overhead" impact was distributed among central staff as follows:

| | Total Person-Years |
|---|---|
| Superintendent and Deputy Superintendent | 0.40 |
| Personnel Department | 1.05 |
| Business Office | 1.70 |
| Special Services | 0.15 |
| Community Relations | 0.10 |

Support for School-Site Activities Having Indirect Impact on Instruction

a. School-site administration. The initial federal grant allocated $15,000 to each of the six pilot schools to help defray the costs of collecting attendance and financial data. However, virtually every pilot school used this money to hire full-time Assistant Principals or equivalent personnel service.* While the Assistant Principals were undoubtedly useful in many ways, they did not contribute materially to the collecting of student attendance data. This burden fell on the shoulders of already busy school secretaries.

The salary of the average Assistant Principal in Alum Rock exceeds $15,000. As a result, during the first year of the demonstration, voucher principals asserted that clerical staffs were overextended and the administrative allocation did not provide adequately for the salaries of Assistant Principals. OEO resisted further allocations for administrative help at the school sites on the grounds that the principals had not used the initial $15,000 grant in the most efficacious manner. However, resentment concerning "overwork" continued to grow within the school offices and OEO relented during negotiations carried on in the district in November 1972. They agreed to supply an additional $3,000 to each school to permit the hiring of additional part-time clerical help. In March 1973, a supplemental grant was made to provide administrative aid to the new schools entering the voucher demonstration.

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*Middle schools in Alum Rock are provided with full-time Assistant Principals out of district funds. Pala, the only middle school in the demonstration, did not hire an additional Assistant Principal.

b. In-service training for teachers. The initial grant provided $30,000 to each school for "in-service" training of teachers. Actually, these funds were used almost exclusively to pay teachers for planning work undertaken during the summer or at other times when teachers would not ordinarily be expected to work. Nevertheless, teachers claimed they invested far more energy than was paid for by the in-service funds. The March 1973 supplemental grant provided initial planning money for new voucher schools.

c. Substitute teacher salaries. During the first year of the demonstration, teachers were often expected to attend meetings, conferences, and unusually long planning sessions. As a result, there was a high demand for substitute teachers from the voucher schools. The need for funds to cover this contingency had not been unanticipated by either the federal government or the district. The December 1972 supplemental grant provided funds for this purpose for the six pilot schools. The March 1973 grant provided similar support to enable teachers at the expansion schools to plan for the new mini-school programs before the summer vacation.

d. Busing. Under the terms of the demonstration contract, the district undertook to provide transportation for all students who chose schools outside their accustomed attendance areas. Such voucher choices were relatively rare during the first year of the demonstration.

## Support for School-Site Activities Having Direct Impact on Instruction

a. Compensatory vouchers. This category provided supplemental funds to schools enrolling children who qualified for free lunches.*

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*In Chapter 4 we describe the means of computing the size of this voucher and the controversy that surrounded that issue.

These funds flowed directly to the individual mini-school and constituted the major source of discretionary money used by teachers to implement their alternative programs. Thus, compensatory vouchers provided the main monetary support for teacher autonomy and instructional innovation in the demonstration.

b. Temporary classrooms. The 10 percent "overcapacity" referred to in the district's initial proposal to OEO in 1972 proved to be illusory. As classroom crowding became severe, strong sentiment for additional funds for temporary classrooms arose in the pilot schools, especially among teachers. To meet this demand, OEO provided a one-time grant of $15,000 in December 1972 to purchase portable classrooms. A "student space voucher" was substituted for this budgetary allocation in the grant for the second year of the demonstration, as will be described later in this chapter.

## Teacher Salary Guarantee

The district's April 1972 proposal to OEO promised full protection of tenure and seniority for certified employees participating in the demonstration. The district also proposed:

> In the event that shifting enrollment patterns decrease a program's budget to the point where the salary of one or more staff members cannot be covered, surplus certified employees will be removed from that program. If a certified employee is displaced from the program, the following procedure will be followed:
>
> a) The administrator of the demonstration will assist the certified employee to find another program within the demonstration which has additional staff needs and which is mutually acceptable to the certified employee and the program.
>
> b) If no such position is available, the Alum Rock School district will undertake to find a suitable position in the remainder of the district.
>
> c) Prior to a commitment to move to step (d) (teacher contract buy-up) written documentation shall be provided to OEO as assurance that steps (a) and (b) have been pursued in good faith.
>
> d) In the extreme case that there is no position available in the entire school district, funds will be provided to support that certified employee at his present salary level until another position can be found. In no case will this support be extended for more than the remainder of the

> school year plus one full academic year. A maximum dollar value for these contract buy-ups appears in the budget. During the period when a certified employee is being paid without working, he will be required to negotiate with the school board, a plan for the constructive use of his time in a way which will improve his ability to provide services needed by the district. (pp. 35-36, Transition Voucher Model)

As noted earlier, OEO allocated $36,000 to a reserve fund to implement this "contract buy-up" if required.

### Central Staff Salary Guarantee

At the suggestion of OEO the district sought to identify central services that could be purchased at the discretion of individual schools or mini-schools. The district agreed to "voucherizing" three central functions: psychological services, curriculum coordination, and audio-visual services. The district was willing to allow schools and mini-schools discretion in the purchase of these services only if OEO was willing to insure the district against financial loss. Under the "voucherization" of these services, an amount equivalent to the dollars needed to furnish these services to each school became part of the basic voucher income distributed to each school. Each school or mini-school could decide whether to purchase these services or, if they did, whether to hire specialized personnel not employed by the district. OEO provided a guarantee fund of $30,000 to replace money that might be disbursed to outside specialists under a decentralization of services.

The size of the fund determined the outer limits of discretion for the individual schools. The Superintendent required each school to commit itself to purchase sufficient decentralization services so that outside purchases would not exceed the $30,000 fund.

### Grants to New Schools

This fund was set aside to assist in the development of community-initiated alternative schools. How this fund was used is described in Chapter 5.

## Comparison of First and Second Year Budgets

Table 3.2 presents a comparison of the budgets for the first and the second years of the demonstration, as of March 1973.

## Central Administrative Costs

Increases in the central administrative budget for the 1973-74 school year are attributable to the following changes:

a. Project Director and personal staff. Cost increases in this category are primarily attributable to the addition of a full-time administrative assistant to the budget for the Project Director's staff.

b. Parent counseling. Cost increases in this category were primarily attributable to the hiring of additional paraprofessional counselors to serve the expansion schools; hiring of a special education counselor to work with special education parents; purchase of additional time from the two professional counselors; additional clerical help to work with the enlarged parent counseling staff; and substantially higher printing costs to produce material to inform the increased number of parents in the demonstration.

c. Internal evaluation. Internal evaluation showed the largest proportional increase in the central administration budget for the second year. Cost increases reflected the hiring of several part-time research assistants for the Evaluation Coordinator; purchase of additional test materials for the increased number of students in the demonstration; and the hiring of personnel to assist with parent surveys.

d. Public information. The cost increase in this category is due to a salary increment, and is understated because a portion of clerical time and printing costs went to the public information function.

e. Accounting (student and financial) and purchasing functions. This category contains the largest absolute increase in dollar expenditures for the second year, resulting from the employment of a messenger/warehouseman to speed the delivery of materials to voucher

## Table 3.2

## COMPARISON OF FIRST AND SECOND YEAR BUDGETS: FEDERAL SUPPORT TO THE ALUM ROCK SCHOOL DISTRICT FOR THE VOUCHER DEMONSTRATION (IN $ THOUSAND)

| | First Year | Second Year |
|---|---|---|
| I. Central administration | $ 433.4 | $ 725.8 |
| II. HRC training | 69.0 | 100.0 |
| III. Support for school-site activities having indirect impact on instruction: | | |
| a. School-site administration | 128.5 | 375.0 |
| b. In-service training for teachers | 280.0 | 170.0* |
| c. Substitute teacher salaries | 58.8 | 37.6 |
| d. Busing | 11.0 | 24.0 |
| e. Professional development center | 0.0 | 35.0 |
| Subtotal | 478.3 | 641.6 |
| IV. Support for school-site activities having direct impact on instruction: | | |
| a. Compensatory vouchers | 509.1 | 1,282.5 |
| b. Temporary classrooms | 15.0 | 36.0 |
| Subtotal | 524.1 | 1,318.5 |

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*A portion of the money allocated for in-service training for teachers was spent at expansion schools before July 1, 1973 as a result of staff planning activities in the spring of that year. The $170,000 represents the anticipated balance available at the start of the new fiscal year and does not indicate a second year cut in spending for this purpose.

Table 3.2 (Cont'd.)

| | First Year | Second Year |
|---|---|---|
| V. Teacher salary guarantee | $ 36.0 | $ 14.0 |
| VI. Central staff salary guarantee | 30.0 | 50.0 |
| VII. Grant to new community-initiated voucher schools | 15.0 | 15.0 |
| VIII. Grant to Alum Rock schools considering voucher participation | 0.0 | 60.0 |
| Total | $1,585.8 | $2,924.9 |

schools;* continued employment of an administrative intern to the Assistant Superintendent for Business to help implement the income/outgo budget; additional clerk-typist assistance for the purchasing department; and payroll and attendance clerks for those functions respectively; additional funding for computer operations relating to the student attendance system; further support for computer system development; and the employment of a "Systems Development Coordinator" and a "Computer Specialist." In addition, costs increased because more attendance forms were needed for the additional students participating in the second year. The dramatic cost increases in this category also reflect a joint determination by the federal government and the district to correct inadequacies in the student and financial accounting systems and to eliminate time delays in purchasing and delivery of materials to the schools.

f. Travel. An increase in this budget item was justified by the increased travel of parent counselors and the need for more district personnel to visit Washington, D. C. to discuss the transfer of the voucher program from OEO to NIE.

g. EVAC and school-community workshops. An increase in funds for EVAC was based upon assertions by the district that the committee would more than double in size as a result of the expansion of the demonstration; in-service training would be required for EVAC to provide "group process" skills; EVAC was being given jurisdiction over "space voucher" funds (see below); and EVAC would have jurisdiction over funding for school-community workshops.

h. Purchase and rental of equipment; i. Rent of central office space; and j. Supplies. Increases in all these categories were approved on the grounds that central office staff had increased in size.

k. District overhead. This fund, calculated as a flat percentage of the overall grant, increased accordingly.

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*Before the demonstration, the Alum Rock Business Office processed approximately 3,000 purchase orders per year. After the beginning of the demonstration, this rate jumped to approximately 10,000 per year.

## HRC Training

An increase in funding for HRC was sought in view of the increased number of administrators and teachers participating in the demonstration. Further, HRC was charged with the responsibility of assisting with the development of an "internal consulting team" to replace HRC at the beginning of the 1974-1975 school year.

## Support for School-Site Activities Having Indirect Impact on Instruction.

a. School-site administration. It was agreed that each school, upon entering the demonstration, needed both a full-time Assistant Principal and extra clerical help to meet the school's obligations for the collection of student attendance and budget data. Therefore, a flat grant of $25,000 for each new school was included in the budget. On the assumption that these administrative needs would decrease over time, $20,000 grants were included for the six schools entering their second year of participation. (This was an increase over the funds made available for this purpose to the six pilot schools in the first year.) It was further agreed that administrative allowances would decrease further the following year for schools in their third year.

b. In-service training for teachers. In the April 1972 grant, OEO had provided each school $30,000 for in-service training for teachers. The six pilot schools were not expected to need further funds for this purpose after the first year. However, renegotiation led to the provision of an additional fund of $10 per student for in-service training at the original six schools for the 1973-1974 school year. In addition, each of the seven expansion schools received $30,000. (Some of this money was spent before July 1, 1973, so the 1973-1974 budget shows only the remaining $170,000 allocated.

c. Substitute teacher salaries. This category reflects only a part of the funds allocated to substitute teacher salaries. (See discussion of "Professional Development Center" below.)

d. Busing. This budget category was increased in anticipation of more "non-neighborhood school" voucher choices in the second year.

e. Professional development center. This was a new budget category for the second year, representing a new program initiated by the

Superintendent. The following justification appears in the March 1973 budget proposal:

> Because the qualities of vitality, competence and flexibility are prerequisite to effective participation of teachers in a voucher experience, we propose financial assistance to the district's development of a Professional Development Program for its teachers in 1973-1974 of $35,000; in 1974-1975, $20,000. The program will conduct activities in the following areas:
>
> 1) Educational renewal--Design and implementation of a program of assistance in skill improvement and new skill acquisition for volunteers from the Alum Rock School district professional staff.
>
> 2) Pre-service training coordination--Design and implementation of community and school field experiences for teacher trainees, counselor trainees, and administrative trainees. Additionally, planning and implementation of a selection and training program for resident teachers will be undertaken.
>
> 3) Community involvement--Emphasis on opening channels of communication among students, teachers, members of the university community and local residents.
>
> 4) Needs assessment--Encouragement of participation by school district and college/university personnel in identifying education program needs.
>
> 5) Curriculum communication--Focus on increased communication between professional educators and the district community on educational programs and approaches.

The Superintendent foresaw a committee of teachers as a part of the management of this Center. Undoubtedly a portion of the allocated funds will be disbursed for substitute teachers to free regular teachers for participation in the various proposed programs. Thus, the Professional Development Center represents a potentially important initiative to assist teachers to identify and share innovative instructional ideas. A mechanism for teachers to discover new curriculum ideas and to share ideas among themselves was lacking during the first year of the demonstration.

## Support for School-Site Activities Having Direct Impact on Instruction

a. Compensatory vouchers. The computation of compensatory vouchers is discussed in Chapter 4. This item reflects a flat $275 compensatory grant for every voucher student eligible for the free lunch program.

b. Temporary classrooms. As already noted, the federal government was called upon to make a $15,000 supplemental grant during the first year for temporary classrooms needed to relieve overcrowded classrooms. Federal officials were displeased with this arrangement and replaced it, in the second year of the demonstration, with a "student space voucher."*

It is not clear that the "student space voucher" creates a "market mechanism to allocate space" or how it requires schools with declining enrollment to treat space as a cost. The space funds are given to EVAC, and schools must appeal to that body for support. Thus, an administrative rather than a market mechanism is specified. Further, it is not easy to determine when a school has "excess space." As was found in the first year of the demonstration, there are seemingly endless demands for space within schools for libraries and other specialized rooms. The creation of criteria for denying such uses to a given school and to require the importation of students from another school will require ingenuity.

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*OEO wrote to Superintendent Jefferds, March 16, 1973: A student space voucher, at $4 per student is included in this budget for computational purposes; these funds will be pooled, and mini-schools which can demonstrate a need for extra space can draw against the pool at a rate and with procedures determined by EVAC. The purpose of this is to create a market mechanism to allocate space; mini-schools with enough seats will not have access to the "space voucher" pool. Mini-schools which are over-subscribed will have access to the "space voucher" pool.

This procedure is necessary because there is no space item in mini-school budgets; accordingly, principals with declining or stable enrollments treat space as though it were "free," while principals with increasing enrollments are forced to treat space as a cost. In fact, space is an integral cost item in all school operations, whether or not enrollment patterns change; and program decisions must take the cost of space into consideration. We also recognize that "cross-building" management requires class-size "modules" of students, i.e., the breaking point for expansion occurs in rough multiples of thirty students. Thus, a percentage figure for district-wide excess capacity may in fact mean several extra seats per classroom rather than an extra classroom per building. Space vouchers provide a realistic response to this problem. Finally, we are requiring that you first allocate space within the demonstration area to oversubscribed schools from undersubscribed schools, before utilizing the space voucher pool. EVAC must receive our prior written approvals of their procedures and funding levels to support the "space" concept.

### Teacher Salary Guarantee

No use was made of the teacher salary guarantee in the first year. However, because of the increased number of participating teachers the district requested and received an additional $14,000 for this contingency fund.

### Central Staff Salary Guarantee

To facilitate an extension of discretionary spending on selected central services to expansion schools, this fund was increased to $50,000 for the second year.

### Grants to New Community-initiated Voucher Schools

Part of the first year's allocation in this category was used to support planning by GRO-Kids (see Chapter 5). A grant of equal size was made for the second year.

### Grants to Alum Rock Public Schools Considering Voucher Participation

Responding to complaints about the shortness of the decision-making process for schools, and the limitations on time for program planning in new voucher schools in both 1972 and 1973, the second-year grant provided for six separate grants of $10,000 each to schools wishing to begin early planning to join the demonstration in September 1974. Receipt of these grants is contingent upon a formal commitment by the school to join the demonstration.

# PART TWO: THE FIRST YEAR

## Chapter 4: Administrative and Political Issues

### Introduction

Compared with the regulated compensatory voucher model developed by the Center for the Study of Public Policy, or other voucher models that provide for full-blown competition between public and private schools, the Alum Rock "transition" model may appear, to some observers, as a rather small, even insignificant step toward introducing competition into the public schools. It might therefore have been expected that the Alum Rock demonstration would not cause much tension, conflict, or change within the system. That view is contrary to our conclusions after the first year of the demonstration.

Our observations of the impact of vouchers upon the administrative system indicate that it was substantial and was characterized by a shift in the distribution of authority; changes in administrative roles (especially for principals); ambiguity and uncertainty; tension; problems; conflict; much hard work; and also much enthusiasm and satisfaction.

Considering that problems and conflict tend to receive more attention than other developments, a much higher proportion of space is generally devoted to them. Especially in administrative matters, life is more accurately characterized as routine and uneventful. To avoid disproportionate reporting, we must emphasize those aspects that followed a smooth course.

A voucher staff was assembled; information on 22 different mini-schools was distributed to over 3,000 households; the enrollment process was completed, reflecting parental choices; each of the promised mini-schools functioned; approximately $500,000 was expended by mini-school staffs in an unprecedented delegation of spending authority to teachers; problems of imbalance in the size of classrooms were overcome; a modest busing program was inaugurated to serve families choosing schools outside of their neighborhoods; many improvements were planned in the budgetary and pupil accounting systems within the district; the demonstration was not accompanied by any major divisive fight within the community; the district successfully passed a bond issue and the present leadership of the Board of Trustees were returned to office by the voters; and the district voluntarily doubled the scope of the demonstration for the second year.

The dissection of problems, and the portrayal of tension that follows, should not overshadow these very real successes during the first demonstration year.

We have found it useful to look at the documentation of the first year of the demonstration on two levels. At the administrative level, we are concerned with the activities of the Superintendent and his staff, the central voucher staff, the Board of Trustees, the Educational Voucher Advisory Committee (EVAC), the principals, and the major teacher organizations. These groups were central to the formulation and implementation of a number of policies shaping the nature of the demonstration. At the school-site level we are concerned with the interaction of teachers, parents, students, and administrators as the curriculum was planned for each mini-school. The absence of centralized direction in the formulation of curriculum was striking. During hundreds of hours of observation of administrative interaction at the central level we heard no substantive discussion of the nature of the mini-school programs, no suggestions for curricular improvement, or any other comment that reflected involvement in the process of determining instructional content. Undoubtedly, central office curriculum coordinators played some role in curriculum design. However, these coordinators functioned wholely outside of the framework that determined policy on evaluation, budgets, student transfers, or policy questions in the management of the demonstration.

As will be noted, the "central administrative" level was affected by developments within the school sites and vice-versa. However, operations on each level were also, in many respects, quite independent. This chapter is concerned with the central administrative level.

The first section of this chapter is devoted to issues related to the allocation of money resources during the first year. We will discuss the development of the "income/outgo" budget, the computation of the basic voucher, and issues surrounding the introduction of the compensatory voucher.

The second section is concerned with a cluster of issues (internal evaluation, parent counseling, and the function of the Educational Voucher Advisory Committee) that proved to be matters of contention between the voucher staff and the voucher school principals.

The third section describes problems of student transfer and the operation of a new computerized student attendance accounting system.

The fourth section recounts the major concerns expressed by OEO voucher officials during the first year.

The fifth and final section describes the Superintendent's leadership style as he sought to resolve the problems and conflicts of the first year of the demonstration.

Money Allocation Issues

The Alum Rock "transition model" of the voucher anticipated that the budget of participating schools and mini-schools would be determined by the enrollment of students multiplied by the money value of the "vouchers" they brought with them.* These vouchers consisted of two parts. The first, or "basic" voucher was a computed dollar amount that represented the prior year's allocation of resources to instructional programs for children divided by the number of children in the elementary (K-6) and middle school (7-8) grades. Before the demonstration most elementary schools enrolled children in K-5 grades and middle schools enrolled children in grades 6-8. Some elementary schools also extended to the sixth grade. There was an elementary basic voucher for children in grades K-6 and a middle school basic voucher for children in grades 7 and 8. With the advent of vouchers, one elementary school extended its services to seventh grade children. In the second year of the demonstration some elementary schools extended service to seventh and eighth grade, thus coming into full competition with the existing middle schools. Strong financial incentives lay behind this expansion because the middle school "basic" voucher is larger than the elementary school **"basic"** voucher. In addition, children who qualified for the free lunch program were entitled to a supplementary "compensatory" voucher.

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*Although paper vouchers were printed and distributed to participating parents at the beginning of the first year, these documents proved to be only symbolic. The computation of budgets was guided by the traditional records kept of student attendance, and the paper "vouchers" were never systematically collected or counted. Printing of a separate voucher document for parents was discontinued after the first year of the demonstration.

Both vouchers were to "follow the child." If the child transferred, the voucher amounts were to be deleted from the budget of the first school and credited to the account of the newly selected school and mini-school. The basic voucher was financed entirely by existing local and state sources of revenue; the compensatory voucher was paid for by the federal voucher grant.

We now examine the budgetary questions associated with the computation of the basic voucher and the development of "income/outgo" budgets.

## The Income/Outgo Budget Concept

All federal voucher demonstration grants to Alum Rock have included a "special condition" requiring the district to develop and implement an "income/outgo budget" for the voucher mini-schools. Nevertheless, it was not until October, 1973--the beginning of the second year of the demonstration--that the first computer printouts of the mini-school income/outgo budgets were produced.

Fundamental to income/outgo school budgeting is the treatment of schools and mini-schools as independent accounting entities. Mini-schools are considered cost or budget centers with self-balancing budgets. An income/outgo report would show the sources and amounts of income and the encumbrances, expenditures, and unencumbered balance of a mini-school. Total budgeted expenditure of a mini-school would be maintained in balance with total budgeted income by increasing expenditure budgets or by reducing reserves when changes occur during the year in projected annual income.

Voucher project personnel in Washington, D.C., and Alum Rock present three arguments for implementing mini-school income/outgo budgets. First, the decentralization to the mini-school level of the design of instructional programs and of the selection of resource inputs has produced a need on the part of mini-school staffs (teachers) for financial information. They must know how much discretionary income is available in the mini-school; how much of it has already been spent; and how much is left to be spent. Second, the enrollment economy of the voucher district demands income budgeting by mini-school and automatic, periodic income budget adjustments. And third, parents, who select the mini-schools their children will attend, should have information concerning the sources and amounts of income of the mini-schools as well as financial data relating to the purposes and objects of expenditure.

## Responsibility for the Income/Outgo Budget

Although there was discussion of the need for an income/outgo budget from the spring of 1972 until the end of the year, little was actually accomplished.

The content and format of the income/outgo report evolved slowly during the nine-month period from January through September 1973. Numerous drafts of the report were reviewed by individual voucher school principals during the development period. A design group made presentations at the Superintendent's staff, administrative staff, and Board of Trustee meetings.

Two deadlines structured activity relating to the income/outgo budget. The most critical, to the business office staff, was a series of budget deadlines imposed by State law. A *preliminary* budget had to be approved by the Board of Trustees in June; a *publication* budget had to be voted by the Board in July; and a *final* budget had to be adopted in the first weeks of August. The second deadline was imposed by the voucher district budgeting procedures. During October 1973 there was to be an adjustment of mini-school budgets, based on actual enrollments on a given date, which would "equalize" the costs of resources to mini-schools and initiate the charging of actual, rather than average, teacher salaries to each mini-school.

In the view of the three staff members working on the income/outgo budget, October 1973 was the month the budget would become operational. However, the second week in August was the final deadline for setting up of 73 mini-schools (46 regular mini-schools, 13 "whole-school" mini-schools and 14 "special education" mini-schools), the budgets of twelve nonvoucher schools, and the budgets of more than a score of centralized support and administrative programs.

The developers of the income/outgo budget were occupied, during the first year of the voucher demonstration, with other time-consuming tasks not directly related to the new accounting system. The voucher accountant had day-to-day responsibility for monitoring the expenditures of 22 mini-schools; he had to handle the more than threefold increase in purchase orders and requisitions generated by the increase in instructional organizational units; and he had to field an endless stream of inquiries from voucher principals and teachers. Many of the questions from instructional staff involved technical accounting problems requiring lengthy discussions and frequent meetings to resolve. The systems analyst was responsible for the operation of the RECAP computerized attendance system. When the inadequacy of the RECAP system became apparent, he designed and began implementing the Alum Rock Attendance System (ARAS), a task that took from May through September. The administrative intern had the most free time to work on the income/outgo system. However, he faced a continuous stream of daily problems passed along by the Assistant Superintendent for Business, was responsible for district income and enrollment projections, and prepared related information for the Superintendent's staff meetings, board meetings, community meetings, and teacher meetings.

## The Income/Outgo Budget Discussion

Throughout the first year of the voucher demonstration there was considerable discussion of the income/outgo budget. Questions raised by the three staff members responsible for implementation stimulated serious and lengthy discussions on resource allocation and voucher district organization. Protracted, frustrating discussions over the rules of resource allocation and questions of authority and "ownership" were evoked by the income/outgo agenda item because the income/outgo report would, in an organizationally significant way, define the outcome of these discussions. The ground rules and nature of the voucher project would be substantially revealed by the income/outgo report.

In the following sections we will examine the most important organizational and resource allocation questions that surfaced during the income/outgo debate. Then we will look at some of the technical accounting problems associated with the new system. And finally, we will describe the voucher district budgeting activity during the spring and summer of 1973 in Alum Rock.

## Organizational Concerns

Buildings and Mini-Schools. A basic tenet of the voucher theory guiding the Alum Rock demonstration is consumer sovereignty. Parents should be free to choose the instructional organization that will provide educational services for their children. A corollary of this premise is that the choices of parents will determine the flow of financial resources to instructional units.

In Alum Rock the choice for parents is among mini-schools. Mini-schools are the instructional organizations competing for the attendance of students and financial resources.

Given this argument, much discussion has arisen in the district over the legitimacy of allocating resources directly to "buildings" which house from two to five "independent" mini-schools, rather than only to the instructional units which attract students. The meaning of the school building, as an organizational unit, has become uncertain. The resource allocation issue was resolved (at least temporarily) in the income/outgo budget by the creation of so-called "whole school" mini-schools.

School Centralization of Funds. Another concern that emerged during the design of the income/outgo budget was the centralization of funds in schools. Most participants agreed that efficiency would be enhanced if the several mini-schools in a building were permitted to pool their funds for basic supplies. The question was raised, however, whether there were to be any limits on centralization of funds. After all, the funds were from student vouchers and parents had been assured that their child's voucher would be spent on his education in his mini-school.

The centralization debate stimulated other concerns: How much authority did the principal have over the staffs of the mini-schools in his building? Who had the ultimate authority to spend money? Could the principal centralize all the income of his mini-schools if that was his desire? In the mind of the Assistant Superintendent for Business Services, the principal had the final authority in all spending decisions. Further, centralization of funds would be permitted as long as it was within reasonable limits. These limits have not been defined.

Expenditure programs. During the period of design of the income/outgo budget, the middle school voucher principals were faced with the necessity for budgeting by subject matter programs (art, mathematics, science, home economics, and so forth). Prior to the demonstration, middle school budgets in Alum Rock, including teacher salaries, supplies, materials, and equipment, were broken out by subject matter. The Board of Trustees used this information in making decisions on curriculum policy. Staff members in the business office considered it poor accounting if the subject matter distinctions were not maintained.

However, the principals argued that the middle school mini-schools had created unique programs which were not amenable to the traditional subject matter classifications. They said using the subject matter program structure would produce misleading information; that it would result in many coding errors on purchase orders and requisitions; and that it was accounting overkill in mini-schools involving fewer than 100 students. The outcome was to permit considerable leeway to middle school mini-schools in their expenditure program structures. In most cases, physical education and instrumental music would be accounted for separately; other expenditures could be lumped in the general middle school program budget.

Special education. Budgeting and accounting for special education in the voucher district was a considerable problem. The basic question was how to involve special education classes, financially and organizationally, in the voucher program. These classes are attached to schools based on need or the availability of specially equipped classrooms. One voucher school might have an educationally handicapped class and a hard-of-hearing class; another might have a trainable mentally retarded class. The cost per pupil of the different special education classes varies with differences in class size, in the use of aides, and in material requirements.

During the first year of the demonstration, financing of special education students was not a part of the voucher resource allocation system. They did not receive basic vouchers. At meetings in March, April, and May 1973, involving the voucher project director, the Assistant Superintendent for Special Services, several principals, and the income/outgo design staff, budgeting and accounting procedures were developed for the inclusion of special education students in the voucher system. There was agreement that special education students would receive the regular basic voucher--not an inflated voucher designed to recognize the higher costs of education for these students.

For each special education class an expenditure budget would be set up by the special services department incorporating all the actual costs of operating the class, including the building administration cost (principal, secretaries, and custodians). There was little disagreement among participants that these classes should be charged for the costs of building administration. The basis for allocating these charges would be classes.

In addition to the basic voucher income brought in by the students, each special education class would receive a share of the state excess cost income received by the district for special instruction. The amount going to a class in a given program would equal total income from the state for the program,* divided by the number of classes operated by the district.

It was discovered that in a number of programs (particularly in the 24 classes for the educationally handicapped) the sum of voucher income plus state excess cost income of individual classes was less than the total expenditure budgets of the classes. This discovery raised discussions of whether the district was excessively subsidizing the special education program. It was agreed that this subsidy would be listed on the income/outgo budget report as a third income source for special education classes. However, no changes were made in the district policy to provide extra resources to certain special education programs (e.g., the aide in every educationally handicapped class). After some discussion of whether the special education class budgets should become part of school budgets or remain part of the central office budgets, the decision was made to create a new "special education" mini-school in each building that had one or more special education classes.

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*Educationally Handicapped, Educable Mentally Retarded, Visually Handicapped, Hearing Handicapped, and Trainable Mentally Retarded.

## Resource Allocation Concerns

The designers of the income/outgo budget frequently became embroiled with principals, central staff, and teachers over questions of resource allocation.

Voucherization. One concern was the extent to which dollars actually followed the child. The ultimate goal was to have all district income voucherized; that is, the division of funds between mini-schools would be strictly a function of average daily enrollment. In the income/outgo budget, mini-school income which was voucherized came to be called "variable" income because the estimated annual income from this source would fluctuate with changes in enrollment. Other income was called "fixed" income. These amounts received by a mini-school would not change even if enrollment rose or fell significantly. There was some discussion of making adjustments at midyear in the amounts allocated from certain fixed income sources. These included funds for psychological services and curriculum coordinator services.

Four arguments were put forth to justify fixed income. First, by limiting the number of variable income sources, the data processing problem would be simplified, and the time required to design, program, and debug the computer system would be shortened. Second, legal restrictions prevent the voucherization of income from a number of federal and state sources. Third, at this stage in the process of decentralization and voucherization, the school level administrative task is made manageable by creating areas of certainty--that is, fixed income. And finally, fixed income should be guaranteed for activities that require heavy initial investments which cannot be liquidated if enrollment declines.

The basic voucher value. There are two basic voucher values: one for students in grades kindergarten through six, and one for the seventh and eighth grade students. Both values have two distinct parts: an amount "paid" to the district for centralized administrative and support services, and an amount for site (mini-school) instructional programs. The central payback amount for both elementary and middle schools was $259 during 1972-1973; the elementary site basic voucher was $508; and the middle school site basic voucher value was $782.

The site basic voucher values were constructed in a manner that diverges somewhat from voucher theory. Theoretically, a basic voucher value should be established by dividing the school district's income by the number of students. Individual schools, once having received the voucher income from students, would then contract with the central office to provide whatever services they require. Thus, in theory, voucher budgeting would disregard historical patterns of financial support for various central and school-site functions and the new pattern of budget support would arise solely from patterns of parent choice of schools and, in turn, contracting for centralized services by those schools.

This was not the case in Alum Rock. Budgets were set up to pay for existing personnel, both central and school site, in their existing jobs. The central service "payback" was then calculated by dividing the financial commitment to current central staff, and associated operational expenses, by the number of students. The school-site vouchers were calculated by dividing the existing financial commitment to principals, teachers, and other school-site staff and the associated expenses (basic supplies, curriculum materials, books, and equipment) by the number of students.

Thus, voucher budgeting in Alum Rock used the prior year's budgetary pattern to calculate basic voucher support for the central office and school site. The vexing question concerning the "proper" proportion of total district income that should be allocated to the central office (as opposed to school site) was answered by continuing past patterns, and the jobs of existing personnel were protected.

There are really two pots of money involved in the voucher value calculations: an elementary school pot and a middle school pot. The voucher value for K-6 students is calculated first by dividing the sum of budgets for the elementary basic program by the number of regular (non-special education) K-6 students in elementary schools. The resultant elementary site basic voucher value is then multiplied by the number of sixth grade students in middle schools. The product of this multiplication is subtracted from the sum of budgets for the middle school basic program to yield the amount of money available for the seventh and eighth grade site basic voucher. This amount is divided by the number of seventh and eighth grade students in the district to determine the seventh and eighth grade voucher value.

The higher basic voucher value for seventh and eighth grade students has been questioned by a number of participants. They argue that the value should be the same for all students. It appears unlikely, however, that a strong movement will develop to equalize the voucher value. The differential has its origins in the existence, until 1973-1974, of a permissible state override tax, used by Alum Rock, for the "excess cost of seventh and eighth grade students." California Senate Bill 90 has eliminated this tax as an identifiable income source; however, approximately the amount of income that this tax would have produced in 1973-1974 is included in the district's 1973-1974 revenue base and the tax rate is contained in the general purpose tax rate. Thus, the differential between elementary basic vouchers and middle school basic vouchers confirms past inequality in the per-student support for these two levels.

Because of the district's contractual obligations to certified staff; because of state requirements governing maximum class size in the primary grades; and because of negotiated commitments to teacher groups on class size, the amount of discretionary funds in the basic voucher is not great. Elementary mini-school staffs usually have only about $8.50 per pupil to spend as they wish out of a total elementary basic voucher of $767. The amount of discretionary basic program funds available in a mini-school is very sensitive to class size.

The payback of $259 for centralized administrative and support services is mandatory and purely a paper transaction. The centralized programs are budgeted independently of mini-school demand for particular services. As with the total amount available for other items in the schools, the budgets of the central programs received, on the average, about a 5 percent increase in 1973-1974 over 1972-1973.

The procedure for calculating the site basic voucher value has not changed substantially between the first and second years of the demonstration.

## Basic Program Resource Costs

The site basic voucher income of the mini-schools is used to pay for basic program personnel and other items. If all mini-schools were charged the actual salaries of their basic program personnel (principals, teachers, secretaries, and others), some mini-schools would have large sums left over for other items (aides, supplies, and materials) and others would not even be able to afford their basic instructional personnel. Two conditions cause this situation:

1. The cost per pupil for building administrative personnel (principals, assistant principals, secretaries, and custodians) for mini-schools in schools with small enrollments (usually schools with relatively small physical plants) is much greater than that cost per pupil for mini-schools in school buildings with large enrollments.

2. Between mini-schools, there is significant variation in the average salary level of teachers. In some mini-schools, the average teacher salary is $15,000; in others, it is $10,000.

If actual salaries were charged, a mini-school with experienced, expensive teachers in a small school would be at a distinct financial disadvantage relative to a mini-school with young, low-salaried teachers in a large school.

The situation of an individual mini-school is largely beyond its control. District policies require that every school building have a principal, a certain number of secretaries and custodians, and, in middle schools, assistant principals, librarians, and instrumental music teachers. Also, because mini-school teacher staffs have been formed from the already existing school teaching staffs, the historical development of the distribution among schools of experienced and inexperienced teachers has determined, to a large extent, the variation in average salary levels among mini-schools.

Given the variation in cost per pupil between mini-schools for basic program personnel, and the equality between mini-schools in income per pupil, there has been general agreement throughout the demonstration period, that procedures for equalizing costs should be found. Those in favor of charging mini-schools with actual costs, mainly those who would benefit, have not pressed the issue.

Partial equalization was achieved during 1972-1973 by the use of average salaries for all basic program personnel. This solved the problem of teacher salary variation and of the salary variations among other personnel. But it did not address the inequalities of school size. During the spring of 1973, it was decided to use a per-pupil budgetary charge for building and administrative personnel in 1973-1974. This, in conjunction with an average salary budgetary charge for teachers, would equalize all resource costs for mini-schools.

The budgeting procedures designed for the voucher district in the spring and summer of 1973 permit the mini-schools discretion in two important areas: mini-schools determine how many teachers they need, and hence how much of site basic voucher income will be available for other items; and the funds available for other items are budgeted in expenditure accounts at the discretion of mini-school staffs.

A major question addressed by the income/outgo budget design group was how the income/outgo report would reflect the budgeting rules described above. The report could show mini-school expenditures for personnel as either per pupil and average salary amounts, or as the actual salaries of the personnel involved. By using the budgetary charges in the expenditure budget, income and outgo would be maintained in balance. If actual salaries were charged to the mini-schools on the income/outgo report, the budgets of most would be out of balance. That is, mini-schools with relatively inexpensive staffs would show a a surplus of income over budgeted expenditure, and mini-schools with expensive staffs would show a deficit.

The design group felt that it was important to identify mini-schools being subsidized because of expensive staffs. This information would be masked on the income/outgo report if budgetary charges were used on the expenditure side. The information concerning which mini-schools were receiving extra funds and which were giving up basic voucher income would be useful, it was felt, in developing ways to move toward actual cost budgeting. Further, this data would stimulate discussions about what size a school should be, whether a full-time principal was required in small schools, about means of identifying effective but inexpensive teachers (assuming such means exist), and about the role of and need for the very expensive assistant principals in the middle schools. In fact, these questions were raised at various administrative staff meetings in conjunction with discussions of the income/outgo financial report.

It was decided to use actual salaries on the report. An income account would be created with the title "basic program subsidy/contribution." If the mini-school required a subsidy, the dollar amount would be positive (that is, it would be income). If the mini-school had excess income after the basic voucher budgeting rules had been applied, the dollar amount would be negative and represent a contribution or reduction in revenue. This information would clearly show which mini-schools were inexpensive and, therefore, subsidizers of expensive mini-schools.

The budgetary charges and subsidies and contributions were instituted to equalize uncontrollable and historically determined differences in per-pupil resource costs between mini-schools. Once these inequalities had been cancelled by the subsidies and contributions placed in the mini-school budgets at the beginning of the year, each mini-school would be on an actual cost budget. That is, changes in enrollment after the date of equalization would produce changes in income which had to be matched by corresponding increases or decreases in expenditure budgets. Minor fluctuations would be absorbed by adjustments in a reserve account; major decreases in projected annual income would have to be accompanied by reductions in expenditure budgets (even to the extent of releasing personnel).

In short, all the mini-schools would be given "handicaps" at the beginning of the year to equalize the race. From that point, site basic voucher income would follow the child. This is the system created during the first seven months of 1973 in Alum Rock.

Seventh and eighth grade students in elementary schools. Two elementary schools, Meyer and Goss, expanded their programs to include seventh and eighth grade students. Goss, during 1972-1973, had a seventh grade mini-school; Meyer, during 1973-1974, would have the upper level students distributed among its five K-6 mini-schools.

By attracting the older students, these schools generated significant amounts of discretionary funds. The higher basic voucher value for seventh and eighth grade students was intended to pay for the additional costs of middle school education which included a lower pupil-teacher ratio (26:1 vs. 29:1 in elementary schools), assistant principals, librarians, instrumental music teachers, extracurricular activities, and materials budgets for subject matter programs. It was decided that elementary schools with seventh and eighth grades could use the additional voucher dollars at their discretion. They did not have to hire assistant principals, instrumental music teachers, or have the standard extracurricular activities.

If the elementary schools are able to develop programs attractive to parents of seventh and eighth grade students, middle school enrollments may decline appreciably. If this occurs, we can expect a serious confrontation between the proponents of the middle school concept and the entrepreneurial elementary school voucher principals. The district has been committed to middle school education for a decade; and construction of a new middle school has just been completed. It is also committed to decentralization of program design in the voucher district. Further, there are strong financial incentives for the elementary schools to expand into the seventh and eighth grades. This conflict may develop into a serious decision situation in the coming years.

High class size. Uncertainty surrounded the question of maximum class size in the voucher district and about whether mini-schools with high pupil-teacher ratios would receive large amounts of discretionary funds. One guiding canon was that mini-schools that had the same pupil-teacher ratio as nonvoucher schools should have the same amount of funds to spend for other items as the nonvoucher schools.

The amount of discretionary basic voucher income available to an individual mini-school depended upon its class sizes. Where mini-schools opted for high class sizes (for example, 32 pupils per teacher rather than 29 pupils per teacher) they had available the amount of money that otherwise would have been spent on teachers. In addition, larger schools were able to have extra discretionary basic voucher funds because their administrative costs per pupil were less. For example, if the portion of basic voucher income reflecting district-wide expense was $40 per student, then a school having 600 students would accumulate $24,000 to pay for a principal. A school enrolling only 450 students would accumulate $18,000 to pay for a principal. If the average principal's salary is $20,000 the large school would have a surplus of $4,000 in its basic voucher budget while a small school would have a $2,000 deficit. (These are not actual figures from Alum Rock but are selected to illustrate the effect.)

Due to these two effects, some schools and mini-schools acquired significant amounts of discretionary basic voucher funds ($10,000-$30,000) in the first year.

The business office personnel who did the 1973-1974 budgeting of the mini-schools in July 1973 used procedures differing from those discussed above in the section on "basic program resource costs." They proceeded under the assumption that the district would support a 29:1 pupil-teacher ratio in elementary schools for the basic program. For mini-schools that projected a higher ratio, they budgeted an amount of discretionary funds equal to an average teacher salary times the number of teachers "earned" but given up by the mini-school by having a pupil-teacher ratio higher than 29:1. The total amount of discretionary monies earned by the mini-schools in this way was nearly $200,000. These funds were in addition to the standard amount

(c. $8.50) per pupil for other items placed in all nonvoucher elementary and voucher elementary school budgets, and approximately $27 per student in middle school budgets.

The business office staff's reliance on the 29:1 basic program pupil-teacher ratio came from its interpretation of the agreements reached during the 1972-1973 contract negotiations between the district administration and teachers groups. The error of this interpretation was discovered when the district superintendent and the assistant superintendent for business services were attempting to balance the total district budget in late July. The business office found that the 29:1 ratio was to include not only basic program teachers, but also teachers supported by other programs such as SB 90 Disadvantaged Youth, Title I, Title VII, Miller-Unruh, and Reading Advancement Program. Because of this error, and because of the need to balance the budget within a week for final approval by the Board of Trustees, the entire $200,000 was removed from the budget.

Thus the question of whether mini-schools can "earn" more discretionary income by increasing class size is in some doubt. One problem is that while mini-schools can decide to forgo some teacher services, the district is not thereby relieved of responsibility to pay all teachers currently under contract. It is true that the district can reduce total teacher costs by failing to fill vacancies. However, it may not be possible to coordinate such cuts in total district costs for teachers with decreasing demands by mini-schools for teachers' services. Therefore, in most cases, extra money "earned" by mini-schools for increasing class size may have to come from the district's Undistributed Reserve Fund. And this fund has always been small and carefully husbanded in Alum Rock.

The amount of money a mini-school will receive by virtue of high class size was, at the beginning of the second year, unclear. It is apparent, however, that many mini-school staffs are willing to have an average class size larger than 29 in exchange for discretionary resources.

The upper limit to class size in the primary grades (30:1) is dictated by state law. The pupil-teacher ratio of a school as a whole (composed of several mini-schools) will also be held down by the 29:1 agreement between administration and teacher organizations. This agreement calls for the district to contribute $400 to a school for every pupil in excess of 29:1, when all teachers are counted. The district can negotiate the redistribution of special program teachers to keep all schools close to the 29:1 ratio.

Adherence both to rewarding mini-schools for increasing class sizes, and continuation of payments to schools with high class sizes, could lead the district into a financial vicious cycle. For example, a mini-school in a school could earn discretionary money by increasing class size above 29:1. Then, because class sizes were above 29:1, the district would have to pay the school $400 for every pupil above the 29:1 ratio.

Low class size. If it should occur that a mini-school wants more basic program teachers than it can afford from basic voucher income, the additional cost will have to be paid from other income sources. Usually, this will be compensatory voucher income. This has frequently been a problem for small mini-schools. A mini-school with fifty students is too large for one teacher, and would have a relatively low ratio with two teachers. Unless the mini-school has significant compensatory voucher income, it may not be able to afford two teachers. Small mini-schools are often forced to work out sharing arrangements with other mini-schools and use combinations of large and small classes during the school day.

The general question of minimum size for mini-schools has received some attention in the district, but there has been no movement to ban the one-teacher mini-school.

ADA vs. ADE. In the months of February, March, and April 1973, the Assistant Superintendent for Business Services frequently raised the question, at the Superintendent's staff meetings and at gatherings with principals, of whether resources should be allocated on an average daily enrollment (ADE) or attendance (ADA) basis. His view was that since nearly three-fourths of district income for the basic program came from the state and was earned on the basis of average daily attendance, schools should be financed on the same basis. His concern was to reduce the $60,000 of revenue lost annually by the district because of unexcused absences. The politics of the discussion can easily be understood. Schools with low unexcused absence rates favored the ADA basis; schools with high absence rates favored ADE. The outcome was no change from the traditional ADE basis for resource allocation.

Three strong arguments were put forth by those opposed to ADA. First, ADA would present a noxious incentive to cheat on the attendance registers (marking unexcused absences as illnesses). Second, the rate of unexcused absence was a function of the neighborhood served by the school and was basically uncontrollable. Third, principals and staffs did not wish to become truant officers--the costs in time and effort would exceed the benefits.

## Income/Outgo Accounting

Three financial inputs are required by the computer program that produces the income/outgo report. First, for the expenditure side, the program uses the program expenditure summary* from the expenditure ledger. Second, the status of basic voucher and compensatory voucher income of the mini-schools at the end of the report period is picked up from the voucher dollar allocation report (VDAR). The VDAR uses data generated by the Alum Rock Attendance System (ARAS). Third, amounts and changes in mini-school income from nonvoucher sources are provided by the voucher accountant.

The income/outgo report will be prepared approximately monthly. The report period will correspond with the Santa Clara County fiscal calendar periods.

Income Accounts. A set of mini-school income accounts had to be created. During 1973-1974 there will be four "variable" income sources and approximately 40 fixed income sources.

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*This summary is prepared by an outside firm, California Computer Service.

Variable income sources are the elementary and middle school basic and compensatory vouchers and comprise 70-90 percent of the budget.

Fixed income sources include:

1. Carry-over funds from 1972-1973.
2. Administrative and in-service training allowances.
3. Psychological, curriculum, and media center services income.
4. Basic and special education program subsidies and contributions.
5. State excess cost income for special education programs.
6. District special allocations (such as the curriculum voucher, class size reduction funds, community school program, and special needs subsidies).
7. Federal and state programs (including Title I, Title VII, Model Cities, SB 90, Title II, NDEA Title III, SWRL kindergarten program).

The source and amount of all financial resources available to a mini-school will be shown in the income section of the income/outgo report.

Income transfers. An income source has been created called "Incoming Transfers." These transfers ordinarily occur between mini-schools and the overall school budget. In the budget of a mini-school relinquishing funds, an "Outgoing Transfers" account will be displayed. As of October 1973 no attempt is made to show on the income/outgo report the recipient of funds transferred out. This information will probably be added later. Meanwhile, the expenditure ledger will show in detail all the recipients of a mini-school's outgoing transfers.

Reserve accounts. A problem still not completely resolved concerns the use of reserve accounts. Initially, the design group intended to use a single reserve account on the expenditure budget which would absorb changes in income from all sources. However, this would result in commingling funds. That is, the expenditure budget of a federal or state program in a mini-school could be more or less than the income it received for the program. Consequently, separate reserve accounts will probably have to be used.

Excess teachers. Mini-schools having more basic program teachers than they can afford from basic voucher income will have to pay the difference from other income sources. In most cases, this will involve compensatory voucher income. A charge authorization will be processed revising the basic program expenditure and charging the compensatory education program.

Negative income. Subsidies for expensive mini-schools will come from the contributions of inexpensive mini-schools. These contributions will be shown as reductions in revenue, that is, as negative incomes on the income/outgo report. The concept of negative income has been challenged. While the designers of the budget agree that negative income is a troublesome concept, these reductions in revenue will be treated as such to identify mini-schools giving up earned voucher income without receiving a tangible return.

## Budgeting Activities in the Spring and Summer of 1973

The basic program budgeting of the voucher mini-schools was carried out by the voucher accountant and the administrative intern. They were faced with many uncertainties. Salaries of personnel would not be known until fall enrollments of sixty instructional mini-schools had been estimated; and the rules of voucher budgeting were in a state of flux. There was not enough time to prepare mini-school budgets for the preliminary budget to be approved by the Board of Trustees in June. For this first round, the voucher district was budgeted by school.

The publication budget, approved at the end of July, contained mini-school budgets. The voucher accountant and administrative intern devoted long hours during June and July estimating incomes, setting up expenditure accounts, and balancing the budgets of 73 mini-schools (46 regular mini-schools, 14 special education mini-schools, and 13 total-school mini-schools). The task of allocating the costs of building and administrative personnel to mini-schools was time-consuming.

Budgeting the middle school mini-schools was a particularly onerous job. The large number of personnel in the middle schools who were to serve more than one mini-school, and the subject matter program structure, made the task long and tedious.

There are two main reasons why the voucher accountant and administrative intern had to spend so much time working on the budgets. First, the resource allocation rules were not "set in concrete." Second, most of the principals and teachers were on vacation during July, forcing many educated guesses to be made concerning the enrollment and staffing of the mini-schools. The problem was particularly acute with the seven new voucher schools. For example, in one new school, no one knew in which mini-schools eighteen already employed teachers would be working.

In the first week of August the Board of Trustees approved the final expenditure budget. State law requires that local boards vote on and sign a district budget that ignores the locational distribution of resources within a district. The Alum Rock board raised the question of whether, in approving the budget, it was also approving the school and mini-school budgets. The board was concerned about some of the proposed mini-school expenditures. The Superintendent informed the board that it would have opportunities in the future to review and provide direction for mini-school expenditure. It is expected that, with the production of the income/outgo report, the board's interest in allocating resources among mini-schools will be stimulated.

## The Compensatory Voucher

The regulated compensatory voucher model had prescribed that extra money, "compensatory vouchers," would be provided to parents of poor children to help finance the school costs of their children, and to increase their bargaining power vis-a-vis wealthier parents. The compensatory voucher was also intended to make poor children more desirable as potential students for schools competing within a voucher system, rather than the opposite, since they are often considered to have special learning problems. Such children might be relegated to a few schools of "last resort" within a voucher system, thus leading to socioeconomic segregation. Compensatory vouchers were designed to overcome this inclination. During the first year of the demonstration these compensatory vouchers provided approximately $500,000 for instructional purposes within the six voucher schools. They represented the major source of discretionary funds for teachers within the mini-schools.*

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*An analysis of how these vouchers were used for instructional purposes is contained in Chapter 7.

The average mini-school staff had approximately $20,000 in such compensatory voucher funds to spend.

The Alum Rock demonstration provided that compensatory vouchers would be awarded to children eligible for the federal free lunch program. It was not necessary that children actually participate in the free lunch program, only that the child's parents file the appropriate form declaring eligibility for free lunch under current federal income eligibility guidelines.[*] More than 50 percent of the children in the demonstration qualified and, in a few schools, eligibility reached 70 percent.

The original federal-district agreement in April 1972 provided that the compensatory voucher would be set at an amount equivalent to one-third of the appropriate basic voucher. Accordingly, the initial elementary compensatory voucher value was $226 per eligible child and the middle school compensatory voucher was $322 per eligible child. Given expectations that 50 percent of the children within the demonstration would qualify for compensatory vouchers, the initial federal grant provided a total of $442,070 for compensatory voucher. The initial federal-district agreement was quite specific in declaring that only $442,070 would be made available for this purposes during the first year:

> In the event that there are more children eligible for compensatory vouchers than we have projected, the amount of each compensatory voucher will be reduced so that each eligible child can receive his share of compensatory funds within the fixed budgetary figure.[**]

After the beginning of the school year the voucher principals decided that the deadline for qualification for compensatory vouchers would be October 20, 1972. Each school accelerated its efforts to qualify children before then because it was clear that the designated funds would be exhausted and none would be available to provide compensatory voucher funds for poor children identified after that date.[*]

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[*] By virtue of this decision, school income became tied to the number of children that the school qualified for free lunches. As a result, school staffs engaged in a vigorous effort to qualify every possible child for free lunches.

[**] Transition Voucher model, pp. 11-12.

Even before October 20, pressure began to grow for an increase in the compensatory voucher fund. The voucher principals argued, and were joined by the Superintendent, that the fund should be increased for three reasons:

1. Federal income guidelines for free lunches had been liberalized since the April 1972 agreement, qualifying more children for free lunches than had been anticipated.

2. The basic voucher had increased in size, due to new revenue and new expenditures being made by the district from state and local funds. Therefore the compensatory voucher, computed as one-third of the basic voucher, should also increase.

3. Total enrollment in the voucher demonstration was higher than had been anticipated.

Superintendent Jefferds carried these arguments to federal officials and reported to the principals that he had received assurance that some increase in the compensatory voucher fund would be granted.

However, when a delegation of federal voucher officials met with the Superintendent, the voucher principals, and other district officials on November 16, 1972, Jeffry Schiller, head of OEO's Experiemental Research Division, declared that it was not possible to increase the fund. The voucher principals reacted angrily, declaring that the federal officials had gone back on their earlier assurances. They argued that teachers were already counting on more compensatory money and that the future of the demonstration was being put in jeopardy. The federal officials responded that no such assurance had been given and there was simply no budgetary authority available for them to grant the increase. The acrimonious debate lasted for several hours. The principals made thinly veiled threats that the federal decision might cause their schools to withdraw from the demonstration. The federal officials departed for Washington with the issue unresolved. This confrontation marked the low point in federal-district relations which, up to that point, had been marked by cordiality and cooperation.

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[*] When an eligible child left the district after October 20 it was decided that the compensatory voucher would remain with the last mini-school attended. Compensatory vouchers were to follow the child only when transfers were made within the demonstration area.

However, OEO produced a compromise in a letter to Jefferds. In December 1972, OEO granted an increase in the compensatory voucher fund based upon the new and higher basic voucher amount for the 1972-1973 school year. OEO insisted that the new fund be computed using the original eligibility figures rather than the number established on October 20. The compromise resulted in a new compensatory voucher fund of $509,100, an increase of $67,080. Although this compromise did not fully meet the principals' demands, tension between OEO and the district eased considerably.

At the same time, OEO officials insisted that they had to get off the "basic voucher" escalator. They were negotiating with other districts for additional demonstrations and these districts (primarily New Rochelle, New York) had higher per pupil expenditures than those in Alum Rock. OEO proposed that, in future years, the Alum Rock compensatory voucher be fixed at $250 per child in the elementary grades and $300 per child in the seventh and eight grades. The December OEO concessions had increased the compensatory vouchers to $262.65 for elementary children and $347.13 for the seventh and eight grades, based upon total eligibility in April 1972. However, the new fund had to be divided among the larger number of eligibles established on October 20. As a result, the actual compensatory voucher amounts for the year were $237.77 for elementary children and $301.55 for the seventh and eight grade. Thus, the federal proposals for "fixed" compensatory vouchers represented a slight gain for the district at the elementary level and a small loss at the seventh and eight grade levels.

At the so-called Story Road conference in early 1973 (see Chapter 5), elementary school personnel rebelled against the higher compensatory payment to middle school children. The higher per pupil expenditures in middle schools had long grated on elementary school staff and they were not about to approve extending the differential to the compensatory voucher as well. With the acquiesence of the small middle school contingent at the conference, they recommended a flat $300 compensatory voucher for all eligible children in the demonstration in 1973-1974, both elementary and middle school. The federal-district contract negotiations in the spring of 1973 arrived at a compromise $275 voucher for all children.

Other Income Sources

The provisions for compensatory vouchers, and the distribution of state compensatory monies to schools in Alum Rock for 1973-1974 were complicated by the existence of two other pieces of compensatory education legislation, Title I of the federal Elementary and Secondary Education Act and the newly enacted state school finance reform, Senate Bill 90.

Title I. Five schools in Alum Rock--Mayfair, Arbuckle, Slonaker, Hubbard and San Antonio--participated in the Title I program in 1972-1973. Since none of these schools was among the original six voucher schools, the question of commingling voucher and Title I funds did not arise. However, three of these schools were among the "expansion" schools for the second year of the demonstration.

Title I provided per-student support at approximately the same level as the compensatory voucher. "Piggy-backing" compensatory vouchers on top of Title I funds seemed inappropriate. First, it would result in a total level of funding for Title I schools far beyond what might reasonably be spent by school staffs to improve the education of the children involved. Second, the "piggy-backing" of funds would result in a stark difference of resources between the combined Title I-voucher schools as compared with other Alum Rock schools that participated in neither program. Finally, it was likely that Title I guidelines would not allow the addition of the full compensatory voucher for the same children.

As the Title I dilemma arose early in 1973, both district and OEO officials held conferences with Title I officials at both the federal and state levels.* It was noted in these discussions that only part of the Title I funds actually accrued directly to the instructional process and only that part had to be considered in determining the joint funding levels resulting from a combination of Title I and compensatory vouchers in a given school.

The final compromise was reported by the voucher Project Director on February 20, 1973:

> On examining the Title I expenditures of $272 per child, it was found that only $190 were used for purposes that were comparable to those of the compensatory voucher; the remaining $82 per child was used for entirely different types of expenditures. Therefore, OEO is willing to provide compensatory vouchers to eligible (free-lunch) Title I children for the difference between the standard compensatory voucher ($250) (Footnote: This was the figure established before the subsequent compromise at $275) and the comparable Title I costs per child ($190)--i.e., a compensatory voucher of $60 for each eligible child. If the Title I costs drop next year, or if the compensatory voucher is increased, or both, the difference may increase, and therefore, the Title I compensatory voucher may also increase.

Ultimately, only one voucher school in 1973-1974 participated in both vouchers and Title I: Mayfair. That result was in part due to a compromise occasioned by the arrival of SB 90 funds.

Senate Bill 90. During the first year of the demonstration, partially in response to the California State Supreme Court decision in Serrano v. Priest, the California State Legislature passed a new state school finance measure providing financial assistance to low wealth school districts and limiting local property taxes. This legislation was embodied in Senate Bill 90.

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*This is one of the few examples of overt assistance from the California Department of Education, albeit their role in formulating the final compromise was relatively passive. On other questions, including the waiver of various restrictive provisions of the State Education Code, including those bearing upon class size penalties, the State Department apparently exhibited an attitude of benign indifference. Indeed, the disinterest of the State Department in the demonstration was so palpable that the local State Assemblyman, John Vasconcellos, felt constrained to introduce a resolution in the Legislature urging the State Department of Education to study the voucher demonstration.

As a school district with a high proportion of "disadvantaged" youngsters, Alum Rock qualified for substantial new revenue under SB 90. Best estimates, as of the spring of 1973, indicated that the district would be eligible for a total of some $2,850,000 in fiscal year 1973-1974, due to the combination of SB 90, Title I, compensatory vouchers, and several other small state aid programs designed primarily for low-income students in the elementary grades. This total funding supplement did not include compensatory voucher funds that would be earned by the middle schools participating in the 1973-1974 voucher demonstration.

SB 90 required each participating district to form a broad-based parents advisory group to formulate recommendations to the Board of Education as to the proper use of SB 90 money. Further, the state guidelines required that SB 90 money be concentrated in participating schools to increase the probability that the increased aid would have a significant impact on student learning. Thus, the state required that any school receiving SB 90 money be spending at least $330 and not more than $500 per disadvantaged child* when all sources of compensatory education income for that school were added together.

When the SB 90 Advisory Committee was formed by the district it faced the knotty problem of distributing SB 90 money among the district's elementary schools with due regard to other compensatory funding. In addition to meeting the "critical mass" requirement of $330 per student, the committee also faced conflicting pressures from voucher and non-voucher schools.

Nonvoucher schools were determined that voucher schools should not be eligible for both compensatory vouchers and heavy SB 90 and Title I support because that would concentrate the compensatory money in the 10 elementary schools participating in the 1973-1974 demonstration, leaving the 9 nonvoucher elementary schools with virtually no compensatory money. The nonvoucher elementary schools argued that fairness required that voucher schools receive less Title I and SB 90 money in direct proportion to the amount of compensatory voucher income they received.

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*In this case, disadvantaged was defined in terms of low reading scores.

As might be expected, the voucher elementary schools took a somewhat different view. As far as they were concerned, they had taken special risks by joining the voucher demonstration and thus had exhibited special commitment. If they were now to be deprived of participation in Title I and SB 90, then they would, in effect, be penalized for having engaged in the voucher innovation.

With so much money at stake, feeling ran high on the issue. Several plans were submitted to the Advisory Committee, reflecting both points of view. One plan, designed to benefit the voucher schools, contained dramatic differences in the total income each school would receive from the combined compensatory income. For example, under one of the proposed plans, one voucher school would have received $300,000 in total compensatory funds while several nonvoucher schools would have received no compensatory voucher funds whatsoever. Because all Alum Rock schools tend to enroll a substantial proportion of low-income children, this would have been a skewed distribution of resources indeed. Other plans, in contrast, tended to exclude the voucher schools from Title I and SB 90 money.

Exercising his well-known skills for compromise, Superintendent Jefferds proposed "Plan G" (Plans A through F, proposed by others, had preceded it). Plan G tended to place most of the SB 90 money in nonvoucher schools but, in addition to their small initial allotment of SB 90 funds, voucher schools were also given a bonus of $50 per student from the SB 90 funding. Title I funds were concentrated in three schools, two of them nonvoucher schools. As a result of the compromise, virtually every elementary school in the district would receive approximately $330 in compensatory funds for each eligible child. It was an artful compromise and one quickly accepted by the Advisory Committee.

Plan G has substantial implications for the future expansion of the voucher demonstration. Before the passage of SB 90, due to the shrinking federal enthusiasm for Title I funding, the only avenue open to Alum Rock elementary schools seeking outside funding was to join the voucher demonstration. However, with the Plan G compromise, nonvoucher schools are able to achieve a level of funding, using SB 90 money, that equals the amount of money they could have received as a reward for voucher participation.

Members of the voucher staff privately expressed dismay that the Jefferds compromise removed the incentive for more schools to join the demonstration in future years. The Superintendent, aware of those concerns, argued that the equal distribution of money would probably not inhibit interest in the demonstration. He asserted that once nonvoucher schools became accustomed to the installation of educational innovations, using SB 90 money, they would have less anxiety about joining in the competitive framework of the voucher system. Whether the SB 90 funding compromise will lower the incentive for individual schools to join the voucher demonstration will not be known until the spring of 1974 when further expansion of the demonstration will undoubtedly be sought.

## Purchase of "Decentralized" Services

One feature of the voucher demonstration was the introduction, upon the prompting of OEO, of school site purchase of selected "centralized" services. The rationale for this feature of the demonstration arose from considerable frustration at the school-site level over having to accept a level of centralized services in certain functional areas whether such services were "needed" or not. If schools and mini-schools were to have flexibility to provide services in a manner they thought best fitted the needs of students, it seemed that school site staffs should be able to "purchase" only those centralized services they deemed actually contributed to the effectiveness of their programs.

During the first year of the demonstration, schools were only given discretion over the purchase of psychological, curriculum coordination, and audio-visual services. Further, the six schools were limited to $30,000 in discretionary spending in these areas.*

With this limited charter, schools and mini-schools were free to contract with district psychologists and curriculum coordinators for their services or to purchase these services from outside personnel.

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*Each of the schools decided to continue their past arrangements concerning audio-visual services. Thus, all of the discretionary money was available for psychological and curriculum services.

Thus, schools were free to select the psychologists and curriculum coordinators they liked best and to arrange individual contracts for the desired amount of service. As a result, district psychologists and curriculum coordinators were obliged, to a limited extent, to "sell" their services to the six pilot schools.

Two of the voucher schools chose not to purchase additional centralized psychological services. The other four schools purchased central psychological services from individuals of their choice on a per diem basis.

The new system required that a per diem charge for the services of the psychologists be established. This step was not accomplished until two months after the demonstration started and led to some initial confusion.

Even before the advent of the voucher demonstration, district psychologists did not supervise their own work. Instead, under the supervision of the Assistant Superintendent for Special Services, they were directed to work at specific schools. Thus, the initiation of school site services did not portend a diminution of their professional prerogatives--they had few to begin with. Rather, the purchasing scheme shifted decisionmaking about where they would spend their time from the Assistant Superintendent to individual principals and mini-school staffs.

Although the psychologists were not enthusiastic about the supervision of their work by the Assistant Superintendent, they tended to view the shift of authority to the school site with some apprehension. While their work was viewed by both administrators and teachers as worthwhile, the psychologists are to some extent perceived, and perceive themselves, as "marginal" in the system. At times the principals commented that psychologists are able to identify problems in their schools, but rarely came up with solutions.* In discharging their responsibilities, psychologists often have to recommend new patterns of teacher behavior and this sometimes leads to conflict between teachers and psychologists.

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*In addition to their major responsibility for testing and recommending placement of students in special education programs, the psychologists often work with individual students who pose discipline problems in the classroom and seek to advise both principals and teachers concerning steps that the schools or teachers should take to improve the environment for learning.

Thus, psychologists tend to feel that their jobs require them to undertake tasks that are sometimes "disliked" by school staffs. It is not clear to them that school staffs, given a choice, might not systematically underutilize their services.

Further, the psychologists are not convinced that school staffs fully understand the services they can provide. Under centralized direction, psychologists can go to individual schools, provide services, and acquaint school staffs with their capabilities. They perceive, under decentralized purchasing, that this opportunity to "show their wares" is heavily restricted and that school staffs may not purchase their services simply because they fail to understand what is available.

Further, many of the psychologists feel that if school site purchasing of centralized services is a useful concept, it should be extended to other functions such as nurses, speech therapists, remedial reading specialists, multi-curriculum specialists and, indeed, to principals themselves.*

However, while the system of decentralized purchasing was accompanied by some initial confusion, and while they feared that "underutilization" of psychological services might jeopardize their jobs in the future, the psychologists were willing to experiment with the new system. Further, the psychologists generally favor an expansion of parent participation in the schools and, thus, are favorable to the fundamental concepts of the voucher demonstration.

## Concluding Comments on Financial Allocation Issues

In summary, the new systems of budgeting and resource allocation established in connection with the demonstration were accompanied by some confusion and the development of administrative competence. The new systems greatly expanded decisionmaking authority at school sites, not only by providing extra money for the district, but by vesting school staffs with some authority over the use of centralized services.

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*For the second year of the demonstration there has been some expansion of the scope of decentralized purchasing of services.

Further, the new resource allocation rules and accounting procedures have raised many policy questions to be faced in the district:

1. The new system of identifying "subsidies" and "contributions" to mini-schools raises questions about the actual contribution of more experienced teachers to school effectiveness. The extra costs of rewarding teacher experience in the district salary scale are now visible.

2. The differential between elementary school basic vouchers and middle school basic vouchers calls more attention to the extra money required to support the departmentalized system of instruction within middle schools. In view of the alleged importance of the early years of a child's life for his or her ultimate development, the policy of spending more money per child in the later grades may assume a more controversial status. If elementary schools who enroll seventh and eighth grade students continue to attract these older students from the more expensive middle schools, the entire concept of the departmentalized structure in middle school instruction may come under challenge. Pressure from the elementary schools had already resulted in making compensatory vouchers of equal dollar value at both levels.

3. An explicit consideration of the extra money earned by the district from state sources as a result of special education programs has already raised questions about whether the district should also be contributing extra money to the support of these programs.

4. The creation of the income/outgo budget, by allocating all funds directly to the mini-school level, raises issues about the relative balance of authority between principals and teachers. The structure of this new budget document provides teachers with a new source of control over the expenditure within their own schools, a domain largely reserved in the past as the prerogative of the principal.

5. The calculation of the "payback" from the basic voucher for the support of central administrative costs, which indicates between 25 and 30 percent of all district revenue goes to the support of the

central administration, raises a basic question concerning the size of central administrative services within the district's program.

6. The possibility that mini-schools can "earn" extra discretionary money by increasing class size may cause conflict between the individual teachers, organized into mini-schools, and teacher organizations that have traditionally demanded, in the collective bargaining process, that class size be limited and made consistent among the schools in the district.

7. The emerging interest of the Board of Trustees in how individual mini-schools choose to spend their money may raise questions about the right of the board to dictate allocational decisions to mini-schools who must, simultaneously, compete with one another for student and parent support.

8. Finally, a voucher system for allocating money among schools may raise questions about whether it really does cost a fixed amount of money to educate a child, regardless of the school chosen. For example, because of past student demonstrations and walk-outs, one of the middle schools receives more financial support from the district than other middle schools. Under a strict allocation system, using only a per-student voucher, this school might well lose its "special treatment" status. Nevertheless, because of historical conditions, some schools do have especially difficult problems. Strict adherence to a voucher system of budgeting might deprive the district's leadership of flexibility in dealing with these special and often explosive situations.

## Sequoia Institute School Staff Relationships

As noted earlier, the pilot school principals resisted the creation of a central voucher staff unit from the very beginning of the demonstration, for these reasons:

1. They feared that a central voucher staff would be a "buffer" between them and the Superintendent, and thus reduce their influence in the decisionmaking process.

2. Money for the central voucher staff could better be used in the schools.

3. The very existence of the central voucher staff reflected adversely on the integrity of school staffs. Under voucher theory, individual schools cannot be trusted to produce objective evaluations or disseminate impartial information to parents on the nature of mini-school options. Thus, the existence of the voucher staff would be an administrative expression of this lack of trust.

4. The voucher staff would be the agency promoting re-centralization of authority within the district. The voucher staff would derive its power from control of evaluation and dissemination of information to parents.

Other factors also contributed to the principals' continuing hostility to the Sequoia Institute which became the management arm of the central voucher staff.

The voucher project director, Dr. Joel Levin, was, and is, perceived by some as an agent of the federal government rather than of the local school district. Throughout the year, Levin asserted that his only allegiance was to the district. However, suspicions of divided loyalty persisted. These suspicions arose because part of Levin's function was to interpret the OEO-district contract, to negotiate changes in that contract, and to predict the federal response to various contractual changes preposed by the district. Often these "predictions" or "informed judgments" were seen by school staffs as actions of a man acting on behalf of the federal government, not the district.

Members of the Sequoia Institute staff were "outsiders." Except for Paul Hutchinson, Coordinator of Public Information, who had served as a counseling intern in the district for one year, Levin and his other coordinators had not worked for the district and were not local residents before the demonstration.

Perhaps more important, the three coordinators (Reyes, Hutchinson, Sanchez) were seen as having been selected according to racial/ethnic criteria. Indeed, this was the case, although each had more than adequate qualifications for his position.

The fact that Sequoia employees, and the parent counselors working under them, were overwhelmingly minority persons was significant since much of the political pressure upon the district in recent years had been exerted by minority community organizations. Thus, some administrators and teachers considered the voucher staff as another potential source of pressure upon the schools.

Interviews conducted by Rand staff elicited the view that the concerns of some administrators and teachers reflected racism as well as apprehension about further political pressure.

Certainly the staff of the Alum Rock district is not free of racial bias and racial stereotyping. The problem is undoubtedly most severe with regard to attitudes toward members of the Chicano community.

Have racist attitudes played a role in the events of the first year? We can only offer the observation that in hundreds of hours of interviewing members of the district staff, criticisms of minority staff people were made in terms of professional incompetence or participation in activities that would spur further minority political pressure upon the district. It is possible that these criticisms were only "covers" for racist attitudes. It is also possible that racist attitudes motivated behavior but were not expressed in our presence.

We tentatively conclude that while racial and ethnic bias may well have played some part in the events and tensions of the first year of the demonstration, they were not a central force and were less significant than the structural and ideological factors surrounding the demonstration.

Finally, several other factors served to exacerbate relations between the district and the voucher staff.

Principals and school staffs felt that members of the voucher staff had made inadequate efforts to visit the schools early in the demonstration to acquaint themselves with the school staffs and their views. On the other hand, voucher staff members felt they were unwelcome in many, if not most of the voucher schools. In part this sense of alienation may have resulted from actions by the school staffs but may also have been a consequence of the historic estrangement of minority communities from the public schools.

Early contacts between the school staffs and the voucher staffs would have required the initiative of the Project Director, who discouraged early contacts, lest such meetings aggravate relations.

The voucher staff began to exert strong pressure upon Levin in September 1972 for a formal meeting with the principals. Finally, a series of meetings, involving the voucher staff, the principals, and HRC, occurred in October 1972.

The meetings produced only a proforma approval by the principals of an outline of proposed voucher staff activities. In the end, the voucher staff had to get the approval of the principals before initiating any significant new activity.

Also, decisions concerning the initial composition of the Sequoia staff and the parent counseling staff were largely made unilaterally by Levin. There were serious time pressures in the spring of 1972 that may have made this autocratic process necessary. However, it deviated from the "screening committee" process that is standard in the district and provides for a committee of staff and parents to review applicants for positions before making recommendations to the appropriate administrative program manager. In any case, these procedures were not applied to the Coordinators, employed by Sequoia Institute, nor by the district. However, the parent counseling staff, although selected by Sequoia, was on the district payroll. Thus, more traditional screening procedures might have been used. School staffs, which must use screening committees, resented the fact that counselors were hired without use of that procedure.

Finally, the issue of salary levels caused tension. The coordinators were earning a salary equivalent to many elementary school principals. The Director was earning more than the principals. However, these salaries were set by Sequoia. On the other hand, the parent counseling staff was employed by the district. When it became known, in the spring of 1973, that the counselors were earning more than school secretaries, the secretaries protested vigorously. The secretaries, who had borne increased workloads as a result of the demonstration, called upon teachers and principals to rectify what they considered to be an injustice. However, adjustments in secretarial pay were deferred until pay levels for all classified employees were negotiated in the following year.

## Perspectives of the Principals and the Voucher Staff

The context for the conflict between school staffs, and especially the principals, on the one hand, and the voucher staff on the other hand, was molded by perspectives and expectations that each group brought to the demonstration.

Each of the pilot principals was an enthusiastic convert to the process of decentralization. They had only recently won increased autonomy in the conduct of their own school affairs and were loathe to cede any of their new prerogatives. The principals entered the demonstration with the expectation that vouchers would enhance their autonomy, not reduce it.

In part due to HRC efforts, the six principals were a highly cohesive group. They had common problems, common anxieties, and common "enemies." While the principals felt free to air their differences in private, they presented a highly unified front in their dealings with the central staff, including the Superintendent. Their effectiveness was enhanced by the fact that their group included the most articulate and forceful principals in the district.

In their dealings with other groups, the principals derived special authority from their role as interpreters of the wishes of the school staffs and, in turn, from their role as interpreters of district policy back to their staffs. Thus, principals often expressed themselves not as individuals but as ambassadors of their schools. They often said "My staff believes...." not "I believe..." In turn, reporting back to their schools, they can shape their staff's perceptions of which policies are desirable (or undesirable) and which members of the central staff are competent (and which are not).

In turn, the "middleman" role between central staff and school teaching staffs created pressure upon the principals. Central staff holds the principals responsible for the conduct of the school. On the other hand, teacher complaints about inefficiencies and inadequacies of the central staff, both real and imagined, fall first upon the shoulders of the principals. Several voucher principals were angered by the pressures of this role. They felt that certain expectations concerning money and autonomy had been instilled in teachers by the central staff and voucher staff. When these expectations were disappointed, even temporarily, the teachers put pressure on the principals. In each instance, the principal had to decide whether to placate the teachers by offering explanations or whether to join in their grievances. A few of the pilot principals felt caught in the middle of the conflict between the principals' group, to which they owed allegiance, and the voucher staff. Thus, they felt compelled to fight a number of battles they would rather have avoided.

The principals were strongly affected by the role change that characterized both the central staff and the school site staffs as a consequence of the demonstration. The stresses upon the principals led to extra work and a change in the nature of their work.

As one voucher principal commented, the principals were no longer "autocrats" within their own schools; they had become "facilitators." Staff meetings in the schools, which had once been formal "briefings" on announcements and new policies, occasionally turned into emotional gatherings where principals and teachers wrestled with defining and implementing new directions for their schools.

Rather than dealing with the problems of one faculty, principals found themselves confronted by the varying problems of three or four mini-school faculties. Each of the mini-schools tended to call upon their principals and assistant principals for help with problems concerning curriculum, purchasing, community relations, and the new patterns of intergroup relations that grew out of the mini-school structure. Parent meetings proliferated, and principals felt an obligation to attend many of the social and advisory meetings held by their mini-schools, in addition to the traditional set of parent meetings.

Schools were often visited by interested outsiders, and principals were called upon to greet and talk to the "visiting firemen." Principals were called upon to relate to two different evaluations, the internal evaluation and the Rand evaluation, and to help cope with the implementation of increased student testing and classroom observers. Principals became deeply involved, for the first time, in complex and changing rules for designing their school budgets. Each school was brought into the RECAP student accounting system and had to cope with the many problems and errors that accompanied the institution of that computerized system. Requisitions flowed across their desk at a great pace. One voucher principal said he had signed more requisitions in the 1972-1973 school year than he had in his previous fourteen years as an administrator. More aides were working in the schools than were before. They had to be hired and, in some cases, supervised. And the principals strongly injected themselves into policymaking connected with the demonstration. That process required their attendance at an endless series of lengthy meetings in the central office. The principals were emphatic in claiming that the additional administrative and secretarial assistance provided by the OEO grant was vastly overloaded by the new demands. As a consequence, school staffs and principals became tired, and sometimes irritable. And the principals, who were reluctant to allow their frustrations to become noticeable in dealings with parents, teachers, or long-standing colleagues in the central staff, tended to pick the voucher staff as the target for their feelings.

On the other hand, the voucher staff had also brought a set of expectations and experiences to the demonstration. It was inherent in the voucher idea that their role as coordinators and counselors would be highly independent of the schools, They, too, looked forward to a high degree of autonomy and authority. Further, they remained skeptical concerning the schools, and did not wish to be perceived as merely an extension of the schools. The voucher ideology caused them to avoid being too "friendly" with the principals and teachers, because their job was to monitor the activities of the schools and to provide impartial information to parents.

Parent counselors, both professional and paraprofessional, expected to be included in the decisionmaking process as peers. Resentment accompanied the disappointment of these expectations. The difference between the day-to-day responsibilities of parent counselors and their "professional" supervisors proved not to be highly dramatic. But because the coordinators were earning $20,000 a year, while the counselors were paid $290 a month for their part-time work, they were hardly peers. And the nature of the counseling work, which at first blush had appeared to be glamorous and exciting, often turned out to be dull, repetitive, boring, and filled with clerical detail.

Every job on the voucher staff was a "new" job. These positions had not existed before and there was a great uncertainty as to the work to be performed. During the summer of 1972, and even thereafter, the duties of the counselors and coordinators were ill-defined. The counselors felt they were receiving neither direction nor recognition from the Project Director.

The jobs of the voucher staff had been created by the district's proposal to OEO. But that proposal did not provide operational guidelines for their daily activities. Throughout the year the staff struggled to define its role in the face of difficult conceptual problems as to what constituted adequate evaluation and parent information, and in the face of considerable apprehension on the part of staffs and principals of the six voucher schools.

## The Holiday Inn Meeting

A turning point in the early development of the demonstration occurred on September 14, 1972, in an all-day meeting at the San Jose Holiday Inn, attended by the six principals, Levin, the three Sequoia staff coordinators, and two staff members from HRC. The announced purpose of the meeting was to "straighten out" relations between the principals and the Sequoia Institute. Instead, the meeting served to initiate a firm pattern of domination of Sequoia and the voucher staff by the principals.

As usual, the principals were unified in the views they expressed. They were angry, filled with apprehensions about Sequoia and the Educational Voucher Advisory Committee, and fresh from the problems of the first few days of school. The Sequoia staff, still very unsure of their functions, new to the district, and virtual strangers to one another, were on the defensive. The principals pressed their point that the behavior of the voucher staff violated the tenets of decentralization. They demanded veto power over the activities of the parent counselors, and that each school and mini-school be the final decisionmaker on the nature of the evaluation process that would apply to them.

The HRC representatives, who appeared in the role of facilitators of communication, being familiar with the problems faced by the principals and having developed personal friendships with them, supported the principals' arguments and demands. (See Chapter 6 for a full discussion of HRC's impact on the demonstration.) In the resulting debate, the Sequoia staff retreated in disarray. Taking their cues from Levin, they agreed to the principals' demands.

At the end of the meeting it was understood that the principals had the authority to order any parent counselor to cease any activity in a given school community that a principal found unacceptable. The only recourse open to the voucher staff in such an event was an appeal to the Superintendent to overrule the principal.* Richard Reyes, as Coordinator of Evaluation, was stripped of any potential authority over evaluation design. His role became one of consultant to any school or mini-school that requested his services.

The Sequoia coordinators were stunned by the ferocity of the attack by the principals. As one coordinator commented at the time, "at least now we know who has the power." The Voucher staff members would chafe under these constraints throughout the balance of the year, though in a few cases they were able to dilute them. But the basic pattern for voucher staff-principal relationships had been set in concrete. Thus, the decisions reached at the Holiday Inn were fundamental in the conduct of the demonstration.

## Specific Issues of Controversy

We now turn to a major cluster of administrative and political issues that arose in the first year of the demonstration, involving the stormy relationships between the central voucher staff, on the one hand, and the principals and teaching staffs of the six voucher schools, on the other. The central focus of this complex of issues was the sharp controversy over the control of information on the conduct of the schools. We shall deal with three elements of the cluster: internal evaluation, parent counseling, and the functioning of the Educational Voucher Advisory Committee.

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*This arrangement was subsequently approved by the Superintendent.

Internal Evaluation. The district's proposal to OEO provided for an internal evaluation of the voucher demonstration, in addition to the "national" evaluation.

The April 1972 proposal stated:

> In addition to the OEO evaluation, however, we have a number of questions which we as a district want to be answered during the demonstration for the purposes of our own assessment of the project. The questions to be answered are:
>
> a. To what extent will parents exercise choice if it is made available to them?
>
> b. What effects, if any, will the availability of choice have on the attitudes and achievement of children?
>
> c. Will new programs emerge which are more effective than the present ones for children?
>
> d. Will parent involvement and contact with the schools increase as a consequence of the increased financial power that parents will have towards their children's schools? (Source: p. 40, District proposal)

In addition, the district's proposal specified that the "internal evaluation" would examine the following aspects of the demonstration's implementation:

a. in-service training and planning
b. counseling
c. management
d. admissions procedure
e. material utilization
f. personnel
g. transportation
h. finance

Finally, the district specified that the internal evaluation would compare the costs of operating the voucher system with the costs of the traditional system.

Thus, the proposal contained an ambitious set of objectives for the internal evaluation. The proposal appears particularly ambitious when it is noted that during the first year the evaluation staff consisted only of the Coordinator of Evaluation, Richard Reyes.

Reyes' original design for evaluation (pre-Holiday Inn) aimed primarily at measuring student and teacher opinion, ethnic make-up of the mini-schools, pre and post achievement through testing, and an attempt to detect changes in students based upon affective tests. His hope was to provide program-by-program comparisons to assist parents in the enrollment process in the spring of 1973.

The design ran into several problems in the fall of 1972. First, principals and staffs felt that it had been developed by Reyes without more than token consultation with school staffs. Reyes felt that he had tried to share the evaluation planning effort but had been greeted with indifference.

Second, the program-by-program comparisons were unacceptable to the school staffs. They were not about to allow the voucher staff to set up criteria for mini-school performance and distribute the results of the evaluation to parents, fearing the impact on future enrollment in their schools.

Third, the staffs objected to the use of standardized achievement tests for any comparative evaluation of mini-schools. For years Alum Rock students had scored poorly on such tests, and these scores had been a source of humiliation for the district. The test scores were felt to be of virtually no use in diagnosing specific learning problems. Many teachers and parents believe that the tests are culturally biased against poor and minority children.

Acting upon these considerations, the principals pressed the Superintendent for a change in the evaluation plan. They secured a compromise plan in which the achievement test scores would not be made public, on a program-by-program basis, until June 1974.

In addition to their other concerns, the principals appeared to be fearful that the use of standardized test scores for comparisons would force the various mini-schools into conformity with one another in a race for better test scores. They urged that each mini-school be allowed to set its own goals and objectives and the measures to attain them.

Reyes acceded to this compromise. In December 1972, he circulated a revised evaluation plan to the voucher school staffs. The plan emphasized that each mini-school was now responsible for developing and carrying out its own first-year evaluation. He offered the following help to the mini-schools in their evaluation endeavors:

1. Surveys
2. Provision of trained observers
3. Photographic observations
4. Construction of new evaluation measures
5. Consultation on tests

Only the offer of assistance on surveys was taken up by any significant number of the mini-schools. Beginning in early 1973, the voucher staff, using parent counselors as interviewers, conducted parent surveys for a number of mini-schools. By providing them with a specific activity, and some minimal training as interviewers, these surveys helped to lift the lagging morale of the counseling staff.

During the year, Reyes attempted two other initiatives in the area of evaluation. First, he tried to persuade Levin to allow him to conduct an evaluation of the effectiveness of the voucher staff itself. Levin rejected that idea, claiming that an evaluation of the voucher staff would not be objective or credible unless it came from an outside source. The parent counselors were not anxious to be subjected to an evaluation, in view of the vagueness of their responsibilities.

Second, Reyes and Sanchez tried to initiate surveys of parents who had decided to transfer from one program to another during the school year. The principals quickly rejected that idea, and insisted that such surveys be conducted only upon the request of a mini-school. Two of the six voucher schools subsequently participated in such surveys of "changer" parents.

In early 1973, both Reyes and Jesus Sanchez, Coordinator of Parent Information, grew more restive with the concessions that had been made at the Holiday Inn conference. Having sought a change in procedure through Levin and having failed, they decided to go directly to the Superintendent. They demanded, in effect, that minimum standards of reporting be imposed on the mini-schools, and that the responsibility for disseminating the resulting information be placed in the hands of the voucher staff. Their position was firm and they laid their jobs on the line in support of it.

On March 7, 1973, they formalized their position in a memorandum to Jefferds:

> ...The information should be compiled centrally and distributed from such a source. To allow each school to compile and distribute its own information would be highly inefficient and limit its distribution.
>
> The information should be available to the entire community. The responsibility for distribution should rest with the district. To simply make the information available upon request* is unsatisfactory, since a prime consideration of this project is education of the community. It is unrealistic and counterproductive to expect people to ask for things they may not know exist.
>
> The amount of information to be distributed this year should include, but not necessarily be limited to, the following:
>
> a. Parent attitudes about programs
> b. Student attitudes about programs
> c. Budget analysis (expenditure of compensatory voucher)
> d. Class size
> e. Attendance (this year and last year)
> f. Adult-student ratio
> g. Analysis of parent involvement
> h. Some measure of cognitive growth
> i. Staff profile.
>
> The evaluation office has offered to collect the above information for each of the programs. To date only parent attitudes have been collected in about 75% of the programs. All other information has not been collected.
>
> It is unfortunate that we have been unable to obtain adequate information from each of the programs. No doubt this is partly due to the initial agreement with the principals that literally ties our hands as far as collecting data is concerned. However, it appears that the quality or quantity of information is not the crucial question, nor is the parents' right to such information that big of an issue. The crucial question revolves around who should have the right to collect and distribute evaluative information. (emphasis added)

A comparison of the evaluation tasks listed in the district's proposal to OEO in April 1972, and the Reyes-Sanchez memo of March

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*This had been requested by the principals.

1973, indicates that the latter memo outlines a program that is quite modest compared with original intentions. On the other hand, imposing any standards on the mini-schools and giving responsibility for dissemination to the voucher staff, exceeded the restrictive agreement imposed by the principals at the Holiday Inn meeting.

Jefferds agreed to seek the concurrence of the voucher principals on a set of minimum reporting standards along the lines of the Reyes-Sanchez memo. At a meeting with the principals, during which the familiar arguments pro and con were aired, Jefferds obtained grudging agreement on a form of reporting and on optional parent surveys.

On March 29, Reyes sent a memo to the teaching staffs presenting the reporting forms, indicating that the Superintendent and the principals had agreed to make student profiles; staff profiles; budget reports; and attendance data mandatory for each mini-school.

The reaction was swift and bitter. The six principals met privately and decided to confront the Superintendent on the issue. Their first opportunity came on April 4, when both the first-year voucher principals and the principals of the seven "expansion" schools were scheduled to meet with the Superintendent and the voucher staff on pupil placement procedures for the second year of the demonstration.

The voucher principals refused to allow the intended agenda for the meeting to be discussed until the question of internal evaluation had been aired. Each of the principals spoke against the minimum reporting requirements, some in angry tones. Addressing the Superintendent, one principal declared, "You led us to decentralization. That's where I want to be. But Sequoia Institute is recentralizing authority in this district." Much of the ire was directed at Reyes.

Jefferds interposed himself between the principals and Reyes. He insisted that Reyes was only acting upon his instructions. The principals insisted that their objections were not so much directed at the requirements, per se, but at the notion that they could be imposed upon the schools by the voucher staff. The challenge to Sequoia's authority was open and direct, and it verged on being a challenge to the Superintendent's authority as well. Jefferds held his ground, however, and the principals did not press the issue again during the first year.

By May 1972, the voucher staff had accumulated the data required by the reporting form. The results were undramatic. Where parent surveys had been taken, they showed uniform enthusiasm for the mini-schools their children attended. The reports were not very critical of any of the programs, and had little impact on parents. Based upon the reports, it would be difficult indeed to judge one program to be more desirable than another.

But, as Sanchez and Reyes had pointed out on March 7, the immediate issue was not the quality or quantity of evaluative data, nor even its direct usefulness to parents, but who was to set the requirements and disseminate the data from the mini-schools. As such, the issue was fundamental for the management of the demonstration. Clearly, that control rested, and still rests, largely with the individual schools and their principals. But the voucher staff had demonstrated its intention to expand its authority and, through an appeal to the Superintendent, had made modest gains.

Parent Counseling. Like others in the voucher demonstration, the parent counseling staff, both professional and paraprofessional, did not have identical experiences during the first year of the demonstration. Although they all voice continuing support for the demonstration, their views were not uniform. On the whole, it was a keenly disappointing year for the counselors.

Most of the original counseling staff believed in the need for reform of the Alum Rock schools through a substantial increase in parent participation in school decisionmaking. This belief was shared by counselors, professional and paraprofessional, Anglo, Chicano, and black. This led some to want to be "parent advocates," organizers of parents who, in the words of the counselor, would "help parents to be dissatisfied with the schools." That aspiration was not realized. It was frustrated by the inadequacy of their leadership and by the resistance of school staffs.

The counselors share a common, and probably correct perception, that the first year of the voucher demonstration brought no revolution in parent participation. Although a number of mini-schools organized parent advisory groups, few of these groups played any role in school decisions. Also, the Educational Voucher Advisory Committee (EVAC) proved to be largely ineffective in the resolution of issues within the demonstration.

Indeed, organized parent participation in the voucher demonstration probably compares unfavorably with the degree of parent participation within the five Title I schools in the district in the 1972-1973 school year.*

Disillusionment on the part of the parent counselors with the Project Director began in the summer of 1972. Conflicting instructions concerning the eligibility for vouchers of some kindergarten children led the counselors to give parents information which later proved incorrect. Although undoubtedly due to administrative confusion, the incident hurt the credibility of the counselors, at least in their own view.

Most important, the counselors felt the Director, Joel Levin, neither took pride in their work nor supported their views in conflicts with voucher principals. They wanted very much to be seen as "legitimate" within the system.

By September 1972 the counseling staff having decided that it could not rely on Levin to negotiate an appropriate role for them with the principals, demanded a meeting with the principals. Levin tried to arrange such a meeting but it was delayed until the following month. By then, the principals had won veto power over the activities of the counselors at Holiday Inn. In two inconclusive meetings with the principals, the counselors failed to make any headway in expanding their role or in gaining greater acceptance by the principals.*

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*It should be noted that parent participation in the voucher schools through paid paraprofessional aide positions increased. Also, in comparing parent participation in the demonstration and Title I, one must keep two facts in mind. First, federal regulations governing Title I required that local parent committees approve the school budgets for Title I. This provides parents with a degree of formal leverage that is non-existent within the federal-district agreement governing the voucher demonstration. Second, the Title I program is now approximately 5 years old in the district. At its inception, parent participation in Title I was also very spotty. However, over the years, parents have learned of their rights and have developed organizational skills in the Title I schools. The voucher demonstration has not benefitted from a similar developmental period.

The voucher staff had a disappointing experience with HRC. An attempt to involve the voucher staff in HRC training aborted in September 1972. Some staff just didn't like it; others thought it was a thinly disguised attempt to win their acceptance by principals because the HRC staff was well-liked and accepted.

The level of community activism also disappointed the counselors. They found few parents who shared their own "activist" spirit. The parent surveys showed few parents who were deeply dissatisfied with the schools. In fact, in April 1973 when the Chicano community tried to elect activist Chicanos to the Board of Trustees it failed dismally because less than 10 percent of those registered voted.

The counselors often found the parents indifferent. They concluded that they had underestimated the difficulty of informing and activating parents. As Sanchez commented, "Realistically, all we may be able to do in the next five years is to get parents to understand their options in the voucher system."**

Even the counselors found it hard to become well-informed. In the face of some indifference to their efforts among teachers, the counseling staff found it hard to grasp significant variations among the 22 mini-school programs in a way that could easily be communicated to parents.

In the fall of 1972, one of the more able counselors resigned from the staff in frustration. Other counselors, some of them unhappy, stayed on. They became, as one said, "flexible." That is, they decided it was no use fighting to achieve authority and autonomy.

At the root of the counselors' malaise was a fundamental contradiction among their possible roles. On the one hand, the voucher model demanded that they be independent and even critical of the schools. But their jobs required them to work in close harmony with the schools.

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[*] Even so, several counselors established constructive working relationships at several schools.

[**] Sanchez resigned from the voucher staff in November, 1973.

They needed access to teachers and classrooms to understand the nature of the various mini-schools. They needed the cooperation of the principals and the school staffs to reach parents, because there was no alternative organizational network in the community through which any significant number of parents could be reached.

Even if they had had maximum cooperation from the schools, the counselors lacked knowledge of what information parents wanted -- perhaps because parents did not know. Nor did they have any effective means for quickly and effectively communicating with large numbers of parents. While individual counseling might be effective in answering specific questions, it was impossible for a handful of counselors to reach over 3,000 households in this way. Also, they lacked knowledge of the school performance of individual children. In this respect, teachers were far more knowledgeable and, potentially, more useful counselors to the parents.

Educational Voucher Advisory Committee. From its inception, the Educational Voucher Advisory Committee (EVAC) was an unwanted orphan within the administrative system. It was created in the OEO-district agreement as a way to insure parent and teacher "input" into the governance of the demonstration. Its ineffectiveness can be ascribed, in large measure, to the voucher principals' unrelenting hostility.

The principals felt that school and mini-school parent advisory committees allowed parent participation in decisionmaking. The principals had played a key role in determining EVAC's initial composition, yet they distrusted and resisted its overtures. There was also the perception of EVAC as the instrument of Levin and other members of Sequoia staff.

The principals insisted that policy questions not be referred to EVAC and demanded that Levin not "stimulate" the group by asking for their opinion. After some initial resistance, Levin complied. In addition, the HRC staff, in an overt, and therefore unusual, departure from official neutrality on policy questions, urged that EVAC be limited to reflecting community opinion on decisions already made and implemented by the principals and central staff.

EVAC unsure of its role and without information on current issues in the demonstration, insisted that Levin serve as Chairman because no member of EVAC had the knowledge to serve in that role. Levin objected but was drafted for the job. As Chairman he was in a particularly advantageous position to steer EVAC away from controversial issues.

EVAC's fundamental political problem was that it had no visibility and no constituency. Very few people, even among the voucher teaching staffs, were more than dimly aware of EVAC's advisory role. As a result, the committee drifted aimlessly throughout much of the year. Turnover in the membership of EVAC was high, due, at least in part, to its powerlessness and the boredom of its infrequent meetings.

EVAC waited in vain for someone--Levin, the Superintendent, the principals, even the board--to define its role. However, steps have been taken to strengthen EVAC for the second year of the demonstration and it is possible that its role will change.

Role of the Voucher Project Director. The role of the voucher Project Director, Joel Levin, was characterized by conflicting pressures, ambiguity of mission, and a lack of formal and informal authority.

There were several sources of pressure on Levin:

1. Federal officials and his own staff wanted him to promote a vigorous and independent role for the voucher staff.
2. EVAC wanted him to help define its role.
3. Minority community groups wanted a substantial representation on his staff.
4. The principals wanted him to minimize the functions of the parent counseling and evaluation components of his office, to suppress EVAC, and to represent their views to the federal government.
5. Finally, Levin felt the pressure to do the best possible job for the man who had hired him, the Superintendent.

There were also profound ambiguities concerning the desirable functions and policies of his own office. It had no precedent, and its staff was new to the job and the district.

Levin lacked both formal and informal authority; he had no previous experience in the public schools; he had no constituancy in the district. His special strengths--a knowledge of the CSPP voucher model and close relations with the federal officials sponsoring the demonstration--were crucial in the formative period in the spring of 1972. But these were of decreasing significance as the demonstration got underway.

Levin concluded that his major objective had to be to insure the survival of the demonstration and to promote its expansion. To this end, he decided it was absolutely essential to maintain the commitment to the demonstration of the six participating principals. Their cooperation was central because their opinions might have a decisive influence on whether other schools would join the demonstration's second year.

As the "man in the middle," seen by his staff as the "principals' man" and by the principals as "OEO's man," Levin's compromises angered the principals and weakened his position with them and damaged the morale of his staff. Levin was puzzled by the extent of the principals' anger, their concerns with minor procedural issues, and their negative response to his attempts to help them. He and his staff served as the target for the principals' frustrations over unrelated issues arising out of system changes associated with the voucher demonstration.

## Student Transfer and Attendance Accounting

Policy on Student Transfers and Newly Entering Students. With the opening of school in September 1972, the original provisions for student transfer among mini-schools encountered serious operational problems. The district-OEO agreement had provided that parents could transfer their children among mini-schools only at quarterly intervals.

The first weeks of the school year were accompanied by the usual chaos in student placement. Several hundred voucher-eligible students, previously not enrolled in any mini-school, showed up and had to be placed. A number of classrooms were overcrowded, and their teachers were protesting. Some parents came to principals seeking immediate program transfers. The principals were unwilling to turn down parents even though the district-OEO agreement provided only for quarterly transfers.

Discussing change in transfer policy, the principals agreed that parents should have an unlimited right to transfer, at any time during the year and any number of times.

Several principals suggested that counseling procedures be used to find out why a parent wished to transfer a child more than once and to point out how transfers might adversly affect a child's education. Other principals urged a limit to the number of transfers. In the end, they drafted an "unlimited transfer" proposal to submit to their teaching staffs for comment.

In four of the six schools the teachers accepted the unlimited transfer proposal without much comment. At the other two schools, however, the teachers claimed it would be impossible to maintain teaching excellence with students transferring in and out. They asked how they could be held accountable to meet goals and objectives adopted at the beginning of the school year if the complement of students in their classes was constantly changing. The budget at one of these two schools had been adversely affected by students transferring out in the summer of 1972 and a lack of newly entering students. They were facing a budget crunch and the possibility of having two teachers transferred out of their staff as a result. The notion of more transfers under an unlimited transfer policy was understandably unpalatable to them.

The principals of these two schools, taken aback at the teacher reaction, reported to their colleagues and urged a reexamination of the policy proposal. All voucher principals met with the Superintendent to develop a new transfer policy. By then it had become clear that an unlimited transfer policy increased the probability that some programs would undergo a substantial expansion. Teachers were enthusiastic about the possibility of such expansion for reasons described above.

Although increased enrollment would bring more income to a mini-school, there were limits to the amount of money that could be spent intelligently. In the teachers' view the increased income was outweighed by the new administrative problems raised by expansion. Further, it was unclear how much additional revenue such expansion would bring, since this depended on how many of the new students brought compensatory vouchers with them, which couldn't be known in advance.

Although the district had claimed a 10 percent overcapacity in the six voucher schools in the spring of 1972 that capacity did not materialize.*

Therefore, if programs were to expand they had to purchase or rent portable buildings or trailers or create "satellite" classrooms in school buildings with empty classrooms. The portable classroom solution was fraught with difficulties. Teachers don't like teaching in temporary quarters. It was not clear where the money for such quarters would come from. There would be delays of up to six weeks in securing such facilities. They would have no plumbing, and other classrooms might be disturbed by students going back and forth to existing bathrooms. The addition of portables did not increase the capacity of common facilities of the school, such as the library and cafeteria. Portables reduced the size of the playground. Creating "satellite" programs also brought problems: physical separation of the students and teaching staffs in a given mini-school with adverse affects on joint planning and instruction. Further, parents might not understand why their child was attending school X when they thought he had enrolled in school Y.

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*Federal officials concluded that the overcapacity had disappeared by September 1972 because of the creation of the seventh grade programs at Goss; the creation of the separate kindergarten program at Cassell; the conversion of one classroom into a library; the inclusion of special education students in the demonstration; and the inclusion of some "inter-district" transfers (students from other nonvoucher school neighborhoods) in the demonstration. Such transfers were halted early in 1972, but some students did gain entrance to the demonstration.

Jefferds pointed out that the district had promised OEO that it would not change the attendance boundaries for the six schools during the first year of the demonstration. Therefore, only four possibilities remained:

1. Bring more facilities to the school site (portables)
2. Go on double session in some schools
3. Provide space at another school (satellites)
4. Close certain programs to further enrollment.

The problems involved in the first and third options have already been outlined. The principals refused to even consider the idea of going on double session. The final option, closing programs, seemed to be a denial of parents rights in a voucher system.

The discussion returned to ways of restricting transfer rights. Most principals resisted limitations on parental transfer rights as almost immoral, a betrayal of their public commitment to the voucher demonstration.

Finally, the majority of principals decided to approve, once again, unlimited transfer rights without counseling procedures. However, they now added a proviso that any mini-school could close itself to further enrollment at its own discretion. At this point Jefferds stepped in and urged the principals to declare that such program closings would be temporary and would be subject to the Superintendent's approval, and that closed mini-schools would open for new enrollment when additional facilities became available. The principals agreed and the Superintendent ratified the decision.

As it turned out, some mini-schools closed enrollment during the year and stayed closed. At one point only one voucher school was accepting newly enrolled children. Some mini-schools arranged for additional facilities and expanded.

One irritant that continued during the year was the "holding pen" problem. Some fully enrolled schools would advise parents to enroll in other voucher schools but to return when additional facilities had been secured. Teachers in the schools these children attended temporarily charged that their classrooms were merely being used as a "holding pen." The practice interfered with their teaching and was resented. Whether schools could establish waiting lists, and summon students from other schools as places became available, was never resolved.

*The Student Attendance Accounting System.* If school budgets were to reflect their ability to attract students, then a student attendance accounting system was required to provide the basic information about students enrolled in the various mini-schools and to record student transfers ~~as they~~ occurred. Such data was needed for the national evaluation conducted by Rand. It would have been desirable that student attendance accounting make minimal time demands on school personnel. However, such a system was unavailable throughout the first year of the demonstration.

In its April 1972 proposal to OEO, the district had admitted that "using a hand accounting system for students [we] are barely able to meet our present needs." A computerized system was essential, and OEO undertook to help the district obtain it. It was decided that the six voucher schools should be served by RECAP, a regional affiliate of the California Educational Information Service, with headquarters in San Jose a few miles from the district. As a regional operation, RECAP served many school districts and its inability to direct full attention to the needs of the demonstration became an important factor in the problems which emerged.

However, another exacerbation of the problem arose from the proliferation of organizations concerned with the operation and output of the student attendance system.

In addition to contracting with Rand to perform the national evaluation of the demonstration, OEO also contracted with C.M. Leinwand and Associates of Newton, Massachusetts, to receive student attendance and other data from RECAP, to modify these computer data into new files and formats and to provide the data to Rand. Thus the full panoply of organizational units involved in student attendance accounting were:

1. The school site, where teachers and school secretaries were responsible for collecting student attendance data and preparing forms suitable for entry into the RECAP system.

2. The district office, where both the attendance office and the business office were involved. The attendance office bore responsibility for collecting attendance data on behalf of the district and preparing student attendance reports required by the State of California. The business office needed attendance data to track voucher dollars from one school and mini-school budget to another as students enrolled in the demonstration or transferred.

3. RECAP, which was responsible for designing forms, gathering the data from the schools, keypunching the data, and rendering reports both to the schools and C.M. Leinwand.

4. C.M. Leinwand and Associates, as data management contractor for OEO.

5. The Rand Corporation, as national evaluator.

6. The Office of Economic Opportunity, where both the Experimental Research Division, as managers of the demonstration from the federal level, and the Evaluation Division, responsible for the monitoring of the national evaluation, were involved.

For the purposes of this report, we are most concerned with the difficulties encountered in Alum Rock and, specifically, the failure of the interaction between the district and RECAP to produce a reliable and sophisticated system.

To explore the problems involved we shall first address the difficulties encountered at the school site and then those which arose at RECAP.

At the school-site level, completion of the forms required by RECAP proved to be confusing and time consuming for school secretaries. Not only were they unsure of what they were to do; they were given too little information about the crucial nature of their role.

Even when it became obvious that school secretaries required additional technical assistance, RECAP (and later, Leinwand) delayed giving extra assistance. Leinwand hired Eugene Gutierrez as an on-site coordinator to identify and remedy problems within the data collection system. Gutierrez was subsequently hired by the district as its Coordinator of Systems Development.

Finally, even when school staffs complied fully with the RECAP procedures, they were confronted by slow turnaround of data. End-of-the-month attendance registers were often not updated and returned for three or four weeks. As a result, they were forced to record changes manually and transfer the information to late-arriving RECAP reports.

At the RECAP level, the system did not have sufficient internal controls to achieve the accuracy required in voucher pupil accounting. Because dollars are allocated to mini-schools on the basis of pupil enrollment, it is essential that the attendance record system approach absolute accuracy. However, the RECAP system was designed for schools with relatively stable enrollments; its editing and control procedures are not capable of guaranteeing accuracy in a school district, such as Alum Rock, with high transiency and relatively high transfer rates.

The detrimental impact of the ineffectiveness of the attendance system became quite clear at the end of the first year. It was discovered that the initial compensatory voucher eligibility count conducted by the participating schools on October 20, 1972, varied by some 70 students from the compensatory voucher student count reflected by the RECAP and the Leinwand reports. The retrospective re-allocation of compensatory vouchers among mini-schools, based upon the initial count and subsequent student transfers, would have required a time-consuming reexamination of the original records. In a joint meeting of the principals, district officials, and OEO officials, it was decided to simply allocate all compensatory voucher dollars based upon the October 20 count conducted by the schools and to forgo the effort to adjust mini-school incomes on the basis of subsequent transfers. Failure to reallocate basic and compensatory voucher funds based upon actual enrollments during the year probably caused only a marginal error in the amount of resources made available to each mini-school. However, it was clear that the system for tracing voucher dollars as a function of student enrollment was a failure.

Toward the end of the year the district and the federal government determined that only a system designed for voucher demonstration purposes and operated by the district would be likely to remedy the problems encountered. The solution was a new attendance accounting system, the Alum Rock Attendance System (ARAS), developed under the supervision of Eugene Gutierrez.

## A Classification of the Issues

Our analysis of the issues that arose within the management of the demonstration identifies three factors that have shaped the administrative issues faced by the demonstration.

Technological. Some difficulties arose because of gaps between the district's capabilities in certain areas (budget making, student attendance accounting, and the arrangement of physical facilities for instruction), on the one hand, and the emerging requirements of the demonstration, on the other hand. In these matters the goals for performance tended to be relatively clear; the technology existed to reach the performance goals (especially in the areas of budgeting and student accounting) but the challenge for the administrative system was to learn new skills.

Operationalizing Aspects of the Voucher Model. Creation of school alternatives, conduct of the evaluation, dissemination of information to parents, and governance of the demonstration required considerable effort to transform abstract philosophy into practical and effective administrative procedure. In part, these issues reflect the push and pull of different constituencies within the demonstration. They are also issues in which no one seems to have well-thought-out, implementable solutions. As such, they are aspects of the demonstration where further research and development may be helpful.

Political Conflict. Some difficulties arose out of a relatively clear articulation of differing views of desirable policy by identifiable groups that participated in the demonstration. The nature of this conflict was shaped by the patterns of communication and interaction; the diverse social, economic, and cultural backgrounds of the participants; conscious organizational policy toward conflict and its resolution (as, for example, HRC training); the expectations of various groups of participants; structural features of the demonstration (such as Sequoia Institute and the Educational Voucher Advisory Committee); and, finally, the pressures perceived by each group.

## OEO Concerns During the First Year

Although an OEO site manager was present in the district office during the summer of 1972, none was on-site once the school year began. OEO obtained information about events in the demonstration through frequent telephone conversations and site visits during the first year. OEO staff appeared to be most concerned about five operational issues during the first year:

Parent Participation. Staff of the OEO Experimental Research Division favored strong parental participation. As a result, they often expressed dismay over the weak role played by parent counselors and EVAC during the first year.

Development of Income Outgo Budgets and the Computerized Student Attendance System. OEO was keenly aware of the slow progress toward the development of an "income outgo" budget and of a reliable computerized student attendance system. OEO allocated a significant part of the grant to developmental costs in these two areas.

Minimizing Cost. OEO staff feared that even a "successful" demonstration would be ignored by other districts if the cost of initiating a voucher system became too high. Thus, the federal staff tended to resist increases in the size of the grant. However, this resistance was overcome in several instances where the Superintendent and voucher principals pressed for increased support.

Monitoring HRC. OEO officials frankly admitted that they "didn't know what HRC was doing." They had initiated funding for HRC participation in June 1971 at the insistence of the Superintendent. However, they remained skeptical about HRC. In particular they were concerned that the district did not adequately review billings by HRC and by the possibility that HRC costs exceeded the $100/day contract limitation on the cost of consultants.

Expansion of the Demonstration. Above all, the OEO staff wanted an expansion of the demonstration. Especially after the Rochester feasibility study fell through, OEO was convinced that a substantial expansion of the Alum Rock demonstration was essential if antivoucher pressure in Washington was to be successfully resisted.

On all of these issues, however, the OEO staff chose to exert indirect pressure rather than to seek formal, coercive sanctions based upon the contract. As the only district in the nation participating in a voucher demonstration, Alum Rock officials, particularly the Superintendent, were able to exert strong leverage in their relationship with OEO.

## The Superintendent's Leadership

The combination of technical, operational, and political issues was a formidable challenge to district leadership during the first year.

At a Washington briefing on the Alum Rock demonstration, a federal voucher official declared that the demonstration served to confirm the "great man" theory of educational change because, without Superintendent William Jefferds, the demonstration would not have been initiated or sustained. That comment echoes an opinion that we encountered frequently at the local level during the first year.

While we found Dr. Jefferds to be an admirable Superintendent, we would also note that the course of the demonstration cannot be explained solely by his ability and activities. Chance, features of the community, the district organization, and other factors played major roles. Nevertheless, the Superintendent's leadership was clearly an important factor in Alum Rock.

Jefferds was first employed by the district 22 years ago as a student teacher. Thus, since the age of 22 Jefferds has worked for Alum Rock. Because of the rapid expansion of the district, Jefferds became one of a group of teachers promoted out of the classroom into administrative positions with only a minimum of experience. Jefferds became a principal at the age of 24. He subsequently served in a number of central office posts in the areas of business, curriculum, special services, and attendance. In 1968, upon retirement of Frank Conniff, he was appointed Superintendent.

Jefferds has had extensive experience in the military, is now a full Colonel in the California National Guard, and is Commandant of the California Military Academy, a National Guard training facility.

In this concluding section we explore four major aspects of his leadership:

Troubleshooting. As do most competent executives, Jefferds devotes considerable attention to detecting potential crises at an early stage and acting to defuse them. A considerable portion of his time appears to be devoted to the collection of information--not only the standard facts and figures coming to the Superintendent's desk, but much "grapevine" information concerning the nature of emerging problems, the viewpoints of relevant staff, citizens, and interest groups. This "informal" information, essential to navigating the political system, is gathered in meeting with school personnel and citizens in his office, in the schools, and in the hallways of the central administrative office. This makes him an effective troubleshooter.

Two examples are illustrative. The first was recounted to us by a Chicano activist in the district. Several years ago, a Chicano delegation visited Jefferds to press for more minority hiring. Anticipating resistance to their request, they were surprised to find that Jefferds expressed strong agreement with their point of view; candidly discussed problems that might inhibit progress toward affirmative action in employment; and was willing to make specific commitments toward reaching their common goal. Subsequently, Jefferds met and exceeded the commitments he had made to the group.

A second example concerns the Board of Trustees meetings during the first year of the demonstration. The Chicano Parents and Students of Alum Rock had secured a place on the board agenda to demand more action on affirmative action hiring and bilingual education. Early in the meeting the Superintendent announced a number of appointments to key administrative and curriculum positions and introduced the new appointees. As the new appointees stood for recognition, it became clear that the majority were Chicanos and blacks, with women included in the group. Rand observers noted an immediate decrease in the level of tension in the meeting. When the Chicano group was invited to speak its presentation turned out to be a statement of praise and support for the Superintendent and his policies.

Broad Involvement in Negotiation and Compromise as Means of Making Decisions. The Superintendent makes considerable use of the channels established under state law for "meet and confer" negotiation with certificated and classified personnel. Meetings with the Certificated Employees Council (composed of representatives of teacher groups, administrators' association, and the organization of special service personnel) are frequent. In addition, intensive negotiations are conducted annually on pay and working conditions in the schools. These negotiations bear upon a number of policy issues and extend even to the creation of a list of funding priorities for using revenues received after the drafting of a memorandum of understanding with the [certificated] employees. These negotiations appear to be conducted in an atmosphere of mutual respect and trust.

Administrative staff meetings, and other central staff meetings, are used as forums to elicit the reaction of administrators to possible policy decisions and to develop compromises acceptable to administrators.

For example, when the Alum Rock Educators Association (the largest teacher organization) proposed a new system of Community Advisory Boards for each school, Jefferds brought the proposal to the Administrative Staff (which includes all principals). Objections and suggestions of principals were noted by Jefferds and possible compromises were explored. The revised proposal was submitted to the Certificated Employees Council and was ultimately approved by the Board of Trustees.

In addition to reliance upon formal negotiation processes, a central focus of the Superintendent's attention is on the informal formulation of compromises among conflicting individuals and groups within the system.

Three examples, one involving parent conflict, one involving school conflict, and the other involving federal-district relations can be recounted from the first year.

1. At a Board meeting where consideration was being given to expansion of the voucher demonstration, an argument broke out between parent groups, with one side favoring the inclusion of a new middle

school and the other side opposed. A voucher critic, opposing the recommendation submitted by Jefferds, made a comment in passing that the provoucher parents should press for inclusion of another school, rather than the one in question. Jefferds immediately seized upon the critic's comment, fashioned a complicated compromise, phoned the principal of the other school late that night and proceeded to appear before its faculty to advance his plan. The compromise proved acceptable to all parties to the conflict and was approved at a subsequent board meeting.

2. Submission of requests for increased state support under SB 90 required the participation and approval of a broad-based committee of staff and parents. Members of the committee generated six different plans (A to F) for the distribution of the new money. These plans brought to the surface a number of conflicts about the relative proportion of benefits to be received by voucher schools versus nonvoucher schools; Title I schools versus non-Title I schools; and other bones of fiscal contention. At a climactic meeting of the committee (a group of almost 100 members), the group seemed poised on the verge of contentious argument and division. The Deputy Superintendent, serving as Chairman, opened the meeting by calling upon the Superintendent. Jefferds distributed a new proposal for sharing the money, "Plan G." As each school delegation quickly added up its own share under the plan it became obvious that Jefferds had fashioned a careful compromise out of the previous six plans that met the minimum demands of most of the schools. The plan won approval and averted an open conflict in the committee.

3. At a meeting involving federal voucher officials and the voucher principals, an emotional argument broke out over levels of funding for compensatory vouchers. The principals charged a key federal official with violating a previous commitment and the federal official responded with intransigence. The meeting recessed and the federal official formed a caucus in the second floor meeting while the voucher principals, in a bitter mood, retired to an open area on the first floor. Jefferds immediately conferred with the federal delegation

and then appeared at the principals' meeting with several compromise proposals. For the next few minutes he shuttled up and down the stairs in an effort to keep communication going and to explore areas of potential agreement. A compromise was ultimately fashioned, incorporating most of the ideas advanced by Jefferds.

Infusion of New Resources from the State and Federal Level. The Superintendent has devoted considerable time to pressing for new programs and grants, at both the state and federal level, to benefit Alum Rock.* Jefferds has lobbied intensively in the State Capital for increased financial support for low-income school districts, in general, and Alum Rock, in particular. He was active in the successful effort to pass SB 90. During the first year of the demonstration he was the guiding force in the creation of a new state lobby group, the Association of Low Wealth School Districts.

In addition, he lobbied in Sacramento for more bilingual education funds; bonuses for unified school districts, that benefited Alum Rock; and legislation to facilitate the voucher demonstration. Further, he personally worked with the staff of the State Department of Education to secure a waiver of state regulations on class size that previously had caused the district to lose a portion of its state financial support.

Jefferds was the key negotiator with federal officials in securing and revising the voucher grant, and has continually interacted with both legislators and bureaucrats in Washington who are influential in the area of educational policy.

Personal Characteristics. Two personal characteristics run through our description of the Superintendent's leadership style: energy and openness.

Central to his leadership style is the expenditure of prodigious amounts of energy. The Superintendent works long hours. A young staff member, who accompanied the Superintendent to Sacramento to see a number of legislators and officials of the State Department of Education, recalled that the day's activities began early and continued at a high pitch. At 5 p.m., the young man was exhausted and welcomed the apparent end of the day's work. However, the Superintendent declared that there was still time to see another key state legislator, and hurried off to the Capitol building with his young colleague dragging behind. In fact, the limits of the Superintendent's capacity were exceeded during the year. In the spring of 1973 he was hospitalized for several days for treatment of exhaustion.

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*Indeed, the fact that Jefferds spends much time in Sacramento and Washington has prompted criticism from some school staff who believe the Superintendent's job is to "stay home and run the district."

Also central to the Superintendent's leadership style has been a willingness to tackle new problems and to accept criticism of the solutions he advocated. By calmly accepting criticism, he encouraged people to surface other problems and suggestions worth of his attention. In spite of the considerable stress and confusion that accompanied the first voucher demonstration year, the Superintendent displayed a remarkable ability to keep his temper in check.

Overall, the Superintendent displayed a determination that change would occur in Alum Rock, but did not seek to impose a precise blueprint of what the new procedures and policies would look like. He served as a broker between competing groups. This policy, in turn, was largely made possible by his genuine "open door policy" and his concomitant ability to focus on the problems and concerns of a large number of individuals.

# Chapter 5: Toward the Second Year: Expansion and Revision

For district management a crucial test of the success of the first year of the demonstration was the willingness of additional schools to join the "transition voucher model" demonstration. The district had been warned by outsiders that the voucher demonstration was "political and educational suicide." Yet, under the prodding of the Superintendent, the district had taken the risk. In December 1972 the acid test approached. Would more schools be willing to join? As a top district administrator remarked at the time, "Failure to expand the demonstration would be a political disaster."

Jefferds wanted expansion of the demonstration. As always, he spoke in optimistic terms about the benefits brought to Alum Rock by the demonstration. But he steadfastly refused to bring pressure upon any principal or school to join the demonstration. Instead, on December 4, 1972, he simply announced that nonvoucher schools were welcome to join the voucher project in 1973-1974, and suggested that principals of interested schools contact him to obtain further information and to set up a schedule for HRC training.* After discussion at the school sites, and after HRC training, schools would be able to make formal application for the project.

Jefferds actively discouraged one school from entering the voucher demonstration. The school was Linda Vista, historically the "country club" school, where parent resistance to vouchers had been high in 1971-1972. The school was undergoing a change of leadership because its principal was taking a medical leave. Jefferds didn't believe that the school could deal with community apprehension and staff planning under these circumstances and discouraged its participation.

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*As had been the case in the spring of 1972, Jefferds insisted that any school wishing to commit itself to the demonstration accept HRC training.

With that exception, the Superintendent wanted expansion but would not coerce it. By emphasizing the desirability of administrative decentralization he maintained a management environment conducive to vouchers. Between December 1972 and March 1973 the expansion effort was pressed. In that effort, the perceptions and actions of nonvoucher principals and staffs, voucher principals and staffs, the community, teacher organizations, and the voucher and HRC staffs were to play significant roles.

## Teacher Organizations

In contrast to every other district in the nation where vouchers had been actively considered, the major teacher organization in Alum Rock, the Alum Rock Educators Association (AREA) had declined to oppose the concept. On the contrary, top AREA leadership had leaned against the antivoucher position of their state organization, the California Teachers Association (CTA) and their national organization, the National Education Association (NEA). In 1972, AREA had courted an open break with CTA by its disagreement over vouchers.

The leadership of AREA was self-consciously reformist and independent. Its president in 1973, Luke Levers, aligned himself with those teachers in the district who sought change. Levers and his colleagues in the AREA leadership were prepared to use the organization to persuade Alum Rock teachers who were initially unreceptive to change. Levers was convinced that the needs of children were not being fully met in the schools and that the community had been kept out of the school decisionmaking process. He advocated vouchers as a way of correcting those conditions.

Levers and other AREA leaders were motivated not only by their concern for the educational process but also by their good relations with the Superintendent. Jefferds had made special efforts to consult teacher group leaders (both of AREA and the local chapter of the American Federation of Teachers--AFT) and had been willing to negotiate a wide variety of issues in collective bargaining with certificated employee organizations. During Jefferds's tenure as Superintendent, salaries for teachers in Alum Rock had improved dramatically and teacher suggestions had been taken seriously. Levers declared simply, "We support the Superintendent because he supports us." In five years as a teacher in Alum Rock, Levers had never heard a teacher criticize Jefferds in personal terms. Levers was impressed by the fact that "Where the change process has caused pain, at least the teachers feel 'The Superintendent understands our problems'." From the beginning, Levers stood beside Jefferds on the voucher issue and didn't waver even when individual teacher complaints mounted in the difficult early weeks of the demonstration. As did the President of the much smaller AFT group, Levers insisted that the demonstration be "given a fair chance."

In November 1972, AREA circulated a questionnaire to teachers in the voucher schools.* It was a time of maximum frustration and exhaustion for the teachers, and the results were not supportive of the demonstration. Eighty-four percent of the responding teachers** said that the demonstration required too much extra time from teachers. The same percentage said that there had been too much "red tape" in the receipt of funds. Fifty three percent reported that staff relations had deteriorated. Thirty percent of the teachers stated that the demonstration should be "continued but revised," with 64 percent favoring "revision or phase-out." Only six percent of the voucher teachers favored expansion of the demonstration. However, voucher proponents charged, with some justification, that the questions had not been phrased in an objective manner.

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*In October 1972, AREA contacted the Research Department of the California Teachers Association and requested that CTA undertake a large-scale evaluation of the demonstration. Several meetings were held to discuss a possible CTA study. District and Rand representatives participated in these meetings. However, difficulties arose in the AREA-CTA relationship and consideration of a separate CTA study was dropped. As a result, AREA prepared and distributed its own questionnaire.

**Statistics on the number of nonrespondents were not published.

The AREA survey results became ammunition, early in 1973, for teachers who opposed expansion of the demonstration.

Reacting to this use of the survey results, Levers and the AREA past president, Tim Reeves, sent a statement to all district teachers in February 1973. The statement was unusual in its brusque criticism of teachers who based their antivoucher position on the survey results:

> The AREA voucher survey brought some problems to the surface. We have identified many concerns. This is a starting point, not an excuse to go hide in a corner. Covering your face with a blanket won't improve a child's ability to read or alter his self concept...
>
> Years from now we will still only be at the threshold of improving our schools if we are content to subsist at the present level...
>
> If you want a convenient grant of aid or blank check, look no further. It isn't going to happen. If you think the problems cropping up in voucher schools outweigh any possible benefits to be derived, then make the appropriate decision. Just be honest. Don't try to use the AREA voucher survey to justify your own personal desire to zap out of the parking lot as soon as the dismissal bell rings or thirty minutes thereafter...
>
> Decentralization will only be productive to the extent we are willing to violate history and make students and parents an integral part of decisionmaking...It might just be that parent involvement is unattainable, but we won't know until we try, voucher school or non-voucher school, we need to make that effort.

AREA opposition to expansion of the voucher demonstration could have raised substantial, perhaps insuperable, obstacles. Although the impact of the organization's "openminded" approach to expansion is difficult to assess, it may have been a contributing factor among a combination of forces that succeeded in more than doubling the scope of the demonstration for 1973-1974.

## Voucher Principals and Teachers

The publically expressed views of voucher principals and teachers during the expansion debate often were marked by a divergence from privately expressed opinions. These private views emerged in personal interviews with principals and teachers conducted by the Rand staff.

When asked by outsiders or staff members from nonvoucher schools, voucher principals tended to maintain a positive position toward the demonstration. Although not avoiding some of the negative aspects of the demonstration (e.g., more work, administrative complexity, and intergroup tensions), the principals' remarks clearly indicated their continuing support. In public discussions, the principals often seemed to view their own participation in the demonstration as evidence of their administrative flexibility. Their remarks appeared intended to create a positive impression of the demonstration.

On the other hand, in private discussions among themselves, with voucher teachers, or with voucher staff, the principals often concentrated on problems within the demonstration--the running confrontation with the Sequoia staff, or dissatisfactions with various aspects of the federal funding. The voucher principals appeared especially apprehensive that the expansion of the demonstration, and the consequent expansion of the voucher principals group, would destroy the cohesiveness that had enabled them to mold policy decisions in the first year of the demonstration.

The dangers perceived by the principals in expanding their group were manifold. First, the simple increase in numbers would make it more difficult for them to communicate with one another and to adopt common positions. Second, the new principals would be less familiar with various administrative procedures in the demonstration, such as budgeting. The new principals might call upon the voucher staff for help, and thus become dependent upon them. Such a close relationship between the voucher staff and the expansion principals would make it more difficult for the original six principals to maintain strict monitoring of the activities of the voucher staff. And, finally, one potential new principal had been an activist in organizing professional and community Chicano organizations. It was by no means clear to the pilot principals whether this principal's primary loyalty lay with the district staff or the community.

As a result of these concerns, the voucher principals urged the Superintendent to apply strict standards to the admission of new schools. They insisted that all new schools receive HRC training. They also insisted that no new schools be admitted unless they were willing to form at least two mini-schools. Finally, they urged that no school be admitted unless its "commitment to change" was proven. They were unwilling to see any school admitted that was simply attracted by the extra voucher dollars. Indeed, several of the pilot principals asserted that any expansion of the demonstration was premature. At one stage, several pilot principals urged that the original six schools be permitted to form a separate "voucher subdistrict" and that expansion schools in 1973-1974 form a separate voucher subdistrict. Such a step would have reduced the need for old and new voucher principals to work together.

It was evident that the original voucher principals viewed themselves as "pioneers" who had taken special risks and had made extra sacrifices. They were unwilling to admit others into their "fraternity of change" unless the new applicants were willing to undergo the same initiation procedures.

The Superintendent listened dutifully to them. He admitted that the original six schools were quite advanced in their "commitment" to and skill in decentralized administration, but he was unwilling to limit membership in the voucher "club." He simply insisted that other schools could learn and grow just as had the first six.

In spite of their apprehensions concerning expansion, the voucher principals continued to be effective low-key salesmen of the demonstration when invited to speak at nonvoucher schools. And the contrast between their public and private postures was probably not intentional fudging. Rather, it was probably an instance of a group intent to wash its "dirty linen" in private, while presenting the best possible face to the public.

Similarly, voucher teachers, who were not timid about advancing complaints related to the demonstration in meetings within their own schools, tended to present an up-beat summary of their voucher experiences in organized discussions with nonvoucher teachers. A prime example of such behavior occurred at a conference among teachers and parents from both voucher and nonvoucher schools at San Jose State University on January 10 and 11, 1973. The conference had been arranged by the Sequoia staff to provide information and encouragement to representatives of a dozen nonvoucher schools who had expressed preliminary interest in joining the demonstration. The conference was financed by federal funds and all participants, including parents, were paid for attending.

Generally speaking, teachers and parents from the six voucher schools gave a very positive description of the demonstration. Their positive assessment of the voucher project was at considerable variance with the complaints and frustrations that had characterized discussions within each of the voucher schools between September and December, 1972. A number of nonvoucher teachers noted disparities between what they were hearing at San Jose State and what they had heard through the "grapevine," and several expressed their suspicion that voucher representatives had been handpicked to make the demonstration look good. In fact, methods for selecting voucher school representatives varied: some schools sent mini-school leaders; some sent volunteers; some elected representatives; and a few representatives were chosen by principals. A possible explanation for the unusually positive outlook of voucher teachers at San Jose State may be that they had recuperated during the Christmas vacation from the hectic first three months of the demonstration.

In any case, while retaining their privately held complaints, the voucher principals and teachers provided an effective source of provoucher opinion for their nonvoucher colleagues.

## Parent Groups

With several notable exceptions, public and community debate over the expansion of the demonstration was virtually nonexistent.* The majority of school decisions on vouchers were made solely within the professional staff of each school. A few exceptions to this generalization were noted at five schools.

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*It appears that the debate stimulated by the feasibility study in 1971 was far more vigorous than any public discussion accompanying the actual implementation of vouchers.

At the Ryan school, PTA leaders actively and successfully opposed that school's entrance into the demonstration. This group also opposed the entrance of the Ocala Middle School into the demonstration. Among reasons cited by voucher opponents were the lack of a rigorous evaluation of the impact of vouchers upon students and a lack of public information about the demonstration. There was opposition on the grounds that vouchers undermine the neighborhood school concept, and reservations about the wisdom of giving parents the sole prerogative to select educational experiences for their children. Voucher proponents alleged that the opponents were partially motivated by PTA disaffection with the district administration. These critics charge that a small group of "PTA elite," drawn from affluent "hill" neighborhoods, was unhappy that the district administration had begun to encourage and consult other parent organizations, drawn from poor and minority neighborhoods.

Parents were also activated on behalf of vouchers. Parents at two elementary schools, in part drawn from the leadership of Title I parent advisory groups, successfully applied pressure on school faculties to assure a two-thirds favorable vote favoring applying to enter the demonstration. In one of these schools it appears that the principal arranged for parent pressure when it became obvious that the faculty was about to vote against vouchers.

Parents were also active in the complex fight over vouchers at Sheppard Middle School, the largest school in the district. After the Sheppard faculty failed to approve vouchers by a two-thirds majority a self-imposed restriction, approximately a dozen parents from McCollam school, one of the elementary schools participating in the first year, came to a faculty meeting and said they wanted to be able to enroll their children in a voucher middle school after graduation from McCollam. After the parents left the necessary two-thirds faculty vote was secured.

By far the most massive expression of parent interest in expansion was a petition organized by parents at three of the original six schools. Many of these parents had children scheduled to attend the Fischer Middle School in 1973-1974, where the faculty had already voted against vouchers. Anxious to have a voucher middle school for which they would be eligible, they urged the board and superintendent to declare the Ocala Middle School (not scheduled to open until September 1973) a voucher school. The parents collected 400 signatures and presented their request to Jefferds.

This petition drive coincided with a proposal initiated by the principals of Goss and Meyer, two voucher schools. They suggested that Ocala be designated a voucher school, and that a system of cross-management be instituted whereby these two men would serve as the administrators of Ocala, Goss, and Meyer. That proposal was opposed by several groups. It was perceived as a "power grab" by several central office administrators and by some of the other middle school principals who were not consulted in the initial design. The other voucher principals were not consulted and, in a rare instance of disunity, they failed to back the proposal. Finally, it was apparent that under the Superintendent's affirmative action program the new principal for Ocala would be drawn from the minority community. Under the cross-management proposal no new principalship would have been created. As a result, the Chicano Educators group in the district opposed the idea as well. The Superintendent decided not to carry the cross-management proposal to the board.

On March 7, 1973, the Board of Trustees held their first formal meeting on the applications of new schools. The applications of Conniff, Hubbard, and Dorsa schools were approved without controversy.

San Antonio school applied for admission on the conditions that they not be required to form mini-schools and that there be only a minimal requirement for HRC training. The San Antonio staff argued that its faculty was too small (14 teachers) to be split into mini-schools and that alternatives would be available to San Antonio parents at other voucher schools. Board members raised questions about the request and, at the suggestion of the Superintendent, referred the matter to EVAC for study. EVAC, after a lengthy discussion, voted to disapprove the San Antonio application. This recommendation was accepted by the board.

Debate over Ocala provided the only instance of conflict over vouchers among parents at a board meeting. When the Superintendent recommended that Ocala be designated a voucher school, 20 to 25 parents who had supported the petition drive were present to support the recommendation. Although Goss, Meyer, and Cassell were all represented in the parent group, the large majority of provoucher parents came from Meyer with especially strong representation from parents of the School 2000 mini-school. These provoucher parents argued that their rights to choice should be continued at the middle school level, and pointed out that the demonstration would benefit from inclusion of another middle school besides Pala. (Sheppard middle school, which at that point had decided against joining, subsequently re-voted and joined the project.) Opponents of Ocala's inclusion in the voucher project came from the Ryan school area and represented the Ryan PTA. These opponents charged that parents in the Ryan and Rogers school area, who expected to be served by Ocala, had not received adequate information and that the voucher demonstration should not be expanded until an evaluation report had been rendered. One of the antivoucher parents suggested that, since students from Goss, Meyer, and Cassell would ordinarily attend the Fischer middle school, they should seek a reconsideration of the voucher project by the Fischer faculty. The board decided, upon the Superintendent's recommendation, that further information be provided to the Ryan and Rogers communities and that a decision on Ocala be deferred.

Superintendent Jefferds fashioned a compromise for the Ocala controversy. He suggested that the teaching staff of Fischer school (a majority of whom had voted against vouchers) be transferred to the new Ocala site; that Ocala not become a voucher school; that a new staff be constituted at Fischer from teachers who volunteered from other schools; and that Fischer become a voucher school. This compromise satisfied the Ryan parents because Ocala remained outside the demonstration and will serve graduates from Ryan; the Fischer faculty members who opposed vouchers were satisfied because they did not have to join the demonstration and will be assigned to work in a new school with their current principal; the Meyer, Cassell, and Goss parents were satisfied because they will have a voucher middle school in their neighborhood with a newly constituted staff of teachers; and middle school teachers who wish to join the voucher project will have an opportunity to work at Fischer.

On March 28 the board approved the Fischer-Ocala compromise with no attendant controversy. They also approved the application of three schools where parent pressure had helped to secure favorable faculty votes (Arbuckle, Mayfair, and Sheppard).

Thus, in five schools parent participation played a significant part in the expansion process, four in favor of vouchers, and one against. At 13 other schools parents appeared to play a minor role.

## Nonvoucher Principals and Teachers

The voucher demonstration had both tangible and intangible impact on schools that did not participate in the first year.

Nonvoucher schools perceived that the energy and attention of the central office staff was largely engaged in solving the initial problems of the demonstration schools. Along with the concentration of media attention upon vouchers, this development led to a growing sense among nonvoucher staffs of being "second-class" citizens.

In August 1972, and again in November 1972, voucher schools declared they would no longer accept "interdistrict" transfers from other schools.* Yet nonvoucher schools continued to accept interdistrict transfers from the attendance area of the demonstration. This unilateral decision by the voucher principals caused no particular operational problem for other schools but did represent a symbolic imposition of voucher school priorities on the rest of the district.

Further, teachers who transferred out of the voucher demonstration had to be accommodated in nonvoucher schools. Only a handful of teachers were involved, but a few of them had reputations as "poor teachers." In one instance a teacher with a poor reputation wished to transfer out of the demonstration. A nonvoucher principal, who did not want this teacher on his staff, was forced to accept him by the Superintendent. Such forced transfers aroused resentment among nonvoucher principals.

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*The "interdistrict" transfer is a mechanism whereby a child living in one school attendance area is granted permission to attend a non-neighborhood school. It ordinarily requires the approval of both the "sending" and the "receiving" schools.

Several nonvoucher principals were motivated, in part, to join the demonstration to gain membership in the voucher principals' group. The image of that group was one of strength, independence, and innovativeness. Further, their HRC-taught tactics gave them a special type of "strategy" in meetings that became part of their aura.

However, a desire to join the voucher principals' "club" was not the sole motivation for nonvoucher principals. A more important factor was the cutback in Title I funding that threatened the five Alum Rock schools participating in that federal program in the spring of 1973. With severe reductions in Title I almost certain, these schools were actively searching for replacement funds. The voucher demonstration was readily available as a source of funds. Further, voucher funds did not have the "strings" attached (such as parent advisory committee approval of budgets) that made Title I somewhat unpalatable to many schools. Each of the five Title I schools gave vouchers serious consideration and all but one applied for the demonstration. The Title I school that did not apply lost some of its enthusiasm for vouchers once the availability of additional state funding under Senate Bill 90 became assured. Thus, simultaneous but uncoordinated changes in other funding programs affected school interest in vouchers. The initiation of SB 90 funding suppressed interest in vouchers while reductions in Title I enhanced it. In fact, if the actual availability of SB 90 money had been known earlier in the school year it is possible that the expansion of vouchers would have been inhibited.*

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*While new money was a major factor in attracting new schools to vouchers, it is a less significant factor in the continuance of school participation, for two reasons. First, a portion of the extra money tends to have decreasing marginal utility over time. The amount of instructional material and equipment that can be usefully employed has an upper bound. However, this observation does not apply to that part of the extra money used to secure extra personnel. Second, once a school is in the voucher demonstration it begins to experience, and in some cases to value, the structural changes that vouchers bring.

A separate motivation for some principals arose from their perception that participation in vouchers would increase the ability of their staffs to work together as a team.

Finally, as already noted, principals, like employees in other organizations, are subject to boredom. For some, vouchers offered a new challenge that would help get them out of old ruts.

The combination of these motivating factors led to concentrated efforts by nonvoucher principals to persuade their staffs to vote to join the demonstration. Our best estimate is that 12 of the 18 nonvoucher school principals made an effort to join the demonstration. However, one principal was retiring and another was taking medical leave. The four principals who appear not to have made the effort to join the demonstration may have done so because of their age (too old to start a new and tiring project) or because they were determined to prove that a school can excel without vouchers.

In the majority of cases nonvoucher principals devoted substantial thought and energy to the effort. Typically, they would invite Levin and his staff to make informational presentations; arrange for teachers to visit voucher schools (in one case, a principal served as a substitute teacher to make this possible); ask HRC to conduct some discussion sessions; talk with and cajole individual teachers. In some cases, when the initial staff vote rejected vouchers, the principals would continue their efforts and conduct another referendum. In every instance, we found that the principal, rather than the teachers, had initiated consideration of voucher participation at nonvoucher schools.

Nonvoucher teachers were attracted by the extra money; increased autonomy and authority for teachers in the demonstration; and the attention and publicity received by the voucher staffs.

But there were apprehensions among the nonvoucher teachers. The six major sources of resistance were:

1. Extra work. It was clear that teachers in the voucher project had to work harder and to spend time during the summer preparing for the school year. The significance of this factor was accentuated by the fact that no one could tell nonvoucher teachers precisely how

much extra time would be required. Thus, nonvoucher teachers were "put off" both by the certainty of some extra work and the possibility of a great deal of extra work.

2. HRC. Many nonvoucher teachers were apprehensive about HRC involvement, having heard stories of angry confrontations and hurt feelings at HRC training sessions. The emotional import of this factor was high because HRC was linked in the minds of many teachers to "sensitivity training."

3. Fear of conflict among the staff. Stories of conflict and competition between mini-school faculties and within mini-school faculties had circulated at nonvoucher schools.

4. Uncertainty about enrollment. Crowding in several voucher classrooms was quite severe in the fall of 1972. This worried other teachers. In addition, they realized that they might be subject to transfer if the mini-school they set up did not attract sufficient enrollment.

5. Danger to existing arrangements. Teachers at nonvoucher schools had an attachment to certain current arrangements. For example, fourth grade teachers at one school had worked together for several years and were reluctant to give up that relationship by going into the voucher project.

6. Federal funding. Teachers in Alum Rock knew enough about the federal government to know that federal support for educational projects is far from stable. Some teachers were concerned that "the rug will be pulled out from under" the voucher demonstration.

Given all these apprehensions it seems likely, in retrospect, that fewer schools would have voted to join the demonstration if they had not had extensive discussions. In this respect, HRC played an important role.

Realizing that teacher reaction had sometimes been hostile, HRC staff members tried consciously to alter their behavior. HRC tended to avoid confrontations and the stimulation of highly emotional discussions within nonvoucher staffs. Rather, HRC appeared before nonvoucher faculties simply as facilitators of group discussion. As consultants, they were able to persuade many nonvoucher faculties to spend considerable time on discussions of possible participation in vouchers. (For example, devoting several successive afternoons to the topic or holding an all-day meeting on a Saturday). Given the fact that many teachers feared vouchers because their relationships with other teachers might be affected, and many teachers simply didn't have a well-formed opinion on vouchers, these discussions aided the expansion process. First, it gave teachers a chance to clarify their understanding of their colleagues' concerns and to reach agreement that, as a team, they could overcome potential problems. Second, it gave provoucher teachers a chance to surface and to advance their views. Finally, the mere process of lengthy discussion may have led some teachers to feel that, in view of the time spent discussing vouchers, some subtle obligation existed to act affirmatively.

The single most important obstacle for principals interested in joining the demonstration was division within their own staff. Nonvoucher teachers perceived vouchers as requiring teamwork among themselves. In some cases, teachers simply didn't want to work with other teachers because of personal dislikes or an aversion to the extra effort that teamwork would require. In other cases, individual teachers in nonvoucher schools wanted more teamwork but did not believe their faculties could attain it.

Schools that declined to join the voucher demonstration fell in three categories:

1. Schools where the principal was provoucher, but where staff dissension was so severe that teachers did not wish to join the demonstration because they feared pressure to create closer working relationships with their colleagues.

2. Schools where the principal was provoucher but where parents resisted the proposal.

3. Schools where the principal and staff felt they already "had a good thing going" without vouchers, or where other sources of outside funding were readily at hand.

Two effects may be accompanying the expansion of the voucher project. In the first, or "refugee" effect, teachers who oppose the voucher concept may be transferring to nonvoucher schools and forming an increasingly concentrated block of resistance. This effect has been noticed at Shields school, which has received teacher transfers from voucher schools. These transferred teachers led the opposition to vouchers at Shields. As the project expands, these antivoucher teachers may find refuge in a handful of schools that they can prevent from joining the project.

The second effect relates to the social and physical geography of the district. Of the 14 nonvoucher elementary schools in 1972-1973, six are located west of the Capitol Expressway and eight are located east of this major thruway. Schools west of the Capitol Expressway are in the "flats," the poorer section of the district. Of these six schools (Slonaker, Hubbard, Dorsa, San Antonio, Mayfair, and Arbuckle), all but one applied for entrance into the project. The eight schools east of the expressway are located in the more affluent "hill" area, or in that part of the district adjacent to the hills. Of these eight schools (Painter, Shields, Linda Vista, Lyndale, Ryan, Rogers, Cureton, and Conniff), only one applied for the voucher project. As noted earlier, it is possible that resistance to the voucher project is crystallizing in the more affluent part of the district and will prove difficult to overcome. However, it is also true that Pala, McCollam (participants in the first year), and Conniff (an expansion school) are located in the eastern portion of the district and are now in the voucher project.

At first glance it would appear that schools in "less affluent" neighborhoods are more receptive to vouchers. However, assertions that the socioeconomic status of the school community is a significant variable affecting school participation in vouchers must take into account the following points:

1. The loss of Title I funds may be a much more direct factor in the decisionmaking of school staffs. (Of course, these schools would not be Title I if the parents weren't poor. However, the cutback of funds was the key factor. The cutback was caused by the federal government, not the neighborhood.)

2. Central administrators in the district insist that if voucher principals had been at current nonvoucher schools, those schools would have joined the demonstration.

3. Alum Rock is more homogeneous in socioeconomic status than many other districts. Therefore, experience in Alum Rock may throw little light upon the effect socioeconomic differentials among school attendance areas have on their inclination to participate in vouchers.

## The Controversy Over a Community-initiated School

In March 1973 a new and controversial ingredient was added to the expansion of parent options within the demonstration. A group of unemployed teachers expressed interest in starting an alternative school under the terms of the OEO-Alum Rock contract that provided for "community-initiated" schools. In that contract, Alum Rock had stated, "We explicitly agree to cooperate with groups trying to establish new schools. In the absence of legislation, however, these schools can participate only if the School Board contracts with them to provide services." The OEO grant included a $15,000 fund to assist in the planning of new schools initiated by groups outside the formal school structure.

The teachers who visited Alum Rock in March had organized themselves under the name, "Greater Resources Organized for Kids," (GRO-Kids). They were young, in their mid-20's. The four major participants were new to California, and to the San Jose area. Each had degrees from midwestern colleges and universities and prior teaching experience in Illinois. They lived outside the community in the neighboring suburb of Los Gatos. They were generally perceived in Alum Rock as "hippies." The group stated that in late 1972 and early 1973, through personal contact with friends in the Alum Rock district, it became apparent to them that the creation of alternatives to existing educational programs was possible and economically feasible.

The GRO-Kids concept. The first sentence of the GRO-Kids, May 1973, prospectus declared, "It is no longer possible to justify the traditional methods of education nor the traditional role of the public school."

GRO-Kids proposed an alternative school for grades six through eight with 50-100 students. In serving these children, GRO-Kids' stated purpose was to provide "an environment which allows a maximum amount of choices from which each individual makes his decisions and then is able to respond to the consequences of his decisions. GRO-Kids School will be a place where people can learn things they want to learn as well as things they need to learn in order to do what they want to do.... The process will encourage growth which allows for maximum curiosity, adaptability, sensitivity, trust, and creativity."

The school proposed to implement their curriculum through three mechanisms.

The first was "mini-courses." The school would act as a broker between teachers and students interested in pursuing topics of their choice. The courses would last two months, with frequency and duration of meetings left up to the participants. Outside resource persons would be sought when necessary.

Second, GRO-Kids proposed frequent field trips in a school-owned bus. The field trips would be undertaken in conjunction with mini-courses as well as on the spur of the moment.

The third method of curriculum presentation was "student interaction with the intentionally structured environment of the school facility. This structuring, the creative environment workshop, consists of materials arranged around centers of interest. For instance, among others there will be a carpentry area, a chemistry area, a sewing area, a kitchen, a music area, a mathematics area, a comfortable reading area."

Three to four full-time teachers and three to four full-time teacher-aides were suggested. The staff would be drawn from diverse racial, cultural, experiential, and educational backgrounds. Two adults for every 25 students was envisioned. In addition, high school students would be encouraged to work with GRO-Kids students.

Each staff member would have administrative duties to an extent limited to 25 percent of his or her time. The keystone of the evaluation system was a periodic conference with parents and students.

GRO-Kids initial budget projection for a school year was $105,500, with full-time teachers being paid $8,000. This proposed salary was considerably below the average Alum Rock teacher's salary.

Following early discussions with the central voucher staff, GRO-Kids attempted to arouse parent interest in their venture. Coming from outside the community, and having no available organizational mechanism to reach parents, this proved to be a difficult task. In part, GRO-Kids attempted to reach parents by distributing informational flyers to students in Alum Rock schools by contacting them in the vicinity of the school grounds. In at least one instance, Alum Rock teachers and administrators were surprised and dismayed when they discovered these promotional leaflets in the hands of their students. Immediately the question arose, "Who are these people?"

GRO-Kids held their first parent meeting at the Mayfair Center in the middle of the district's poorest neighborhood, on April 26, 1973. Paul Brindel, the major spokesman for GRO-Kids, told the 15 parents and 9 students who attended that vouchers give parents "a say in their child's education for the first time." He promised that parents and students, as well as teachers, could teach courses in the new school, and announced an intention to open the school in September 1973. Brindel initiated a petition for parent signatures to support the GRO-Kids program.

Although the initial group of parents and students appeared enthusiastic, GRO-Kids proved unable to broaden participation in their planning. The second parent meeting, May 8, was attended by six parents and five students. They had collected only 15 signatures. Brindel complained that school principals did not let GRO-Kids personnel on school grounds to hand out flyers and that the process of informing the parents was difficult. Brindel also reported that, in his opinion, some teachers felt that their jobs would be in jeopardy if GRO-Kids was allowed into the demonstration.

GRO-Kids then made their initial appearance before the Board of Trustees, and presented copies of their personal resumes and the prospectus for the school. Board members expressed concern about the physical safety of a facility that GRO-Kids might use, the presence of certificated personnel on the school staff (they were assured that GRO-Kids teachers had California certificates or would get them) and the board's legal authority to contract for a new alternative school. The board appeared unenthusiastic and almost hostile to the GRO-Kids proposal. Subsequent interviews with board members revealed that, in addition to the publicly stated concerns, they were concerned about the character of the GRO-Kids organizers and the lack of minorities on the GRO-Kids staff.

At the board meeting, the President of the Alum Rock unit of the American Federation of Teachers said that his group feared that GRO-Kids might discriminate against racial and ethnic groups. He announced that AFT was "prepared to block" the GRO-Kids proposal.

The board asked further study of the new proposal by the Superintendent and the EVAC. An EVAC spokesman reported that his group had met with GRO-Kids, had positive feelings toward the proposal, and had voted to support the GRO-Kids "in the continuance of the development of their program."

GRO-Kids returned to EVAC on May 29. In the intervening three weeks the legality of the GRO-Kids proposal had been referred to the County Counsel (the legal office for Santa Clara County and attorneys for the school district). Only 18 signatures had been secured from parents. This number fell short of the minimum of 50 that had been set by the GRO-Kids in their initial planning. A GRO-Kids spokesman complained that lack of formal approval from the district had restrained his group from further efforts to recruit parents.

GRO-Kids asked EVAC to recommend that the Board of Trustees grant them formal approval and that $500 from the $15,000 planning fund be allocated to them to defray development costs. Members of the voucher staff supported the GRO-Kids request. EVAC approved the requests with the provisos that GRO-Kids demonstrate a potential enrollment of at least 50 students and that the County Counsel rule favorably on the board's authority to enter into a contract with the group. By this time, the expansion process in the other public schools had been completed and many of the 13 new voucher principals were present at the EVAC meeting. One of the new voucher principals promised his support and assistance to GRO-Kids. The other principals in attendance appeared unenthusiastic, however. The support of the one principal was significant in view of his activist role in the Chicano community. His approval indicated that Chicano groups were unlikely to oppose GRO-Kids because of the all-Anglo composition of the organizing group.

Armed with EVAC approval, GRO-Kids returned to the board on May 30. Jefferds presented the proposal for a $500 planning grant, reported that OEO had given tentative approval of the concept and that the County Counsel, although not yet ruling on the legality of a contract, had ruled that the $500 planning grant was permissible. The Board President appeared favorable to the proposal. However, board members expressed discomfort with the awarding of funds to a "private group" especially in view of the fact that no final ruling had come from the County Counsel. Rejecting the recommendation of EVAC and the Superintendent, the board voted to deny the planning grant to GRO-Kids until a final approval was received from the County Counsel.

Legal and Administrative Issues. As a consequence of the board action on May 30, full attention was directed to the legal issues under consideration by the County Counsel.

Although they did not express their views publicly, OEO and CSPP officials strongly supported the GRO-Kids proposal. Federal officials had hoped for the creation of a "community alternative" since the negotiation of the first contract one year earlier. Anxious to help, CSPP officials asked two attorneys from the University of California, Berkeley, to assist GRO-Kids.

The basic policy problem at issue was the degree of autonomy that could be granted to a community-initiated school under a contract with a public school district. In late June, the attorneys advanced three models for community-initiated alternatives to participate in the voucher demonstration.

The first alternative was incorporation into the public school system. Under this alternative GRO-Kids would function in a manner similar to the pre-existing mini-schools. They would be supervised by a certificated principal; the site used by the school would be owned or leased by the district and would be maintained by the district, GRO-Kids income would be computed in a fashion identical to other mini-schools, and all employees working for GRO-Kids would have to qualify for and obtain employment with the district. Further, the GRO-Kids "mini-school" would have to adhere to all board policies including safety regulations, curriculum, and personnel procedure.

The second alternative would involve full federal funding of GRO-Kids, including a payment for overhead costs to the district. If it was clear that no state or local funds were being used to support GRO-Kids, the local board would be free to enter into a contract with GRO-Kids without adhering to the State Constitutional provisions that forbid expenditure of funds for schools not under the "exclusive control" of the board.

The third alternative assumed passage of SB 600, a bill pending in the State Legislature.* Under SB 600, boards in districts trying "demonstration scholarship" (voucher) programs could grant funds to schools under their "exclusive control." The bill defines "exclusive control" as requiring the board to retain:

1. The power to promulgate general rules and regulations regarding the use of demonstration scholarships.
2. The power to establish the amount of the scholarship.
3. The power to prescribe rules and regulations which are binding upon participating schools.
4. The power to establish standards for teachers, instructors, and textbooks.
5. The power to review and approve the suspension or expulsion of a pupil of a participating school.

A reasonable assumption is that the board would not give up any of the preceding five prerogatives even if a community-initiated program were fully federally funded. Thus, the realistic alternatives reduced to the first and third. And the only apparent difference between those two alternatives is the requirement of supervision by a certificated principal under the first.

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*The bill was subsequently passed and signed into law (See Appendix )

On June 29, 1973, GRO-Kids submitted a revised prospectus based, in part, on their attorneys' memorandum. In the June proposal GRO-Kids gave up hope for a September 1973 initiation and instead proposed a planning effort to culminate in the enrollment of students in January 1974. They requested $5,362.50 to engage in further program planning in conjunction with the community; to search for and develop a site for their activities; to identify community resources; and to "continue consultation with administration and voucher personnel to select an administrative structure." Although the revised prospectus expressed no preference among the three alternatives, it was plausible that GRO-Kids did not wish to have to accede to supervision by one of the existing principals.*

EVAC endorsed the new proposal for a planning grant and the request came before the Board of Trustees on July 11, 1973. The board approved the planning grant. The board made it clear that they were not approving initiation of GRO-Kids and retained the right to reject the final arrangements, including those relating to the administrative structure to be proposed by GRO-Kids in the fall of 1973. GRO-Kids promised a final proposal on administrative structure by November 1, 1973. During the summer of 1973 GRO-Kids proceeded to rent temporary space and planned the initiation of an after-school program to be conducted in the fall semester as a first step toward full operation.

Thus, at the end of the first year of the demonstration, important administrative, legal, and political questions remained to be resolved before GRO-Kids could become a full participant in the demonstration. Among these questions were possible insurance against the displacement of existing teachers and requirements for minority participation on the GRO staff.** Finally, GRO-Kids had yet to demonstrate adequate parent interest. Because all the parents initially interested in GRO-Kids had been forced to select another alternative for their children for September, their willingness to switch to GRO-Kids during the year was undetermined.

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*The revised proposal still envisioned a school without an administrative hierarchy. It was asserted that issues requiring "policy-making decisions will be presented to the entire GRO-Kids community during a monthly evening open house."

**One of the staff members hired with the planning grant is Mexican-American.

GRO-Kids was forced to deal with all of the uncertainty inherent in the process of initiating a new community school, a process that was totally undefined before they arrived. Perhaps most important, GRO-Kids was not an alternative initiated by and within the Alum Rock community. This fact may play a decisive role in deciding its ultimate fate.

## Revision of the Rules for the Demonstration

The expansion of the demonstraion, and the approach of the end of the fiscal year, gave rise to a renegotiation of the contract between the federal government and the district. Superintendent Jefferds and the Project Director, Dr. Joel Levin, set the end of March as their deadline for the submission of a revised application to OEO. Before this they hoped for informal concurrence in proposed changes by the relevant OEO officials. They hoped that if the revisions were submitted before the beginning of the last quarter of the fiscal year, OEO would have more unobligated money left to support an expanded demonstration.*

The renegotiation process also opened the possibility of changes in the rules of procedure for the demonstration. Some of the rule changes would require federal approval. Others had to be approved solely within the district. But the federal negotiations created a situation in which local rules could be revised without subjecting the changes to a veto by the principals.

Bypassing the Principals. Under the local theory of change, and the decentralized and participatory modes it encouraged, it was essential that the renegotiation of the contract be accompanied by a

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*This strategy was urged upon the district by OEO officials. It is another example of the cooperative relationship between the district and federal voucher officials, both seeking an increase in funding for the Alum Rock project.

"sounding out" of the demonstration's participants to assess the nature of the changes they desired. Such requests for changes would constitute input to the district's negotiating team consisting of Jefferds, Levin, and in this case, Keith Cakebread, Assistant Superintendent for business. However, these administrators would impose their own priorities on this "input."

The job of assembling the input of views and requests fell to Levin as Project Director and staff assistant to Jefferds on vouchers. The Santa Clara conference, held in the spring of 1972, provided a ready model for the collection of input. Therefore, Levin arranged a conference of parents, teachers, and principals at the Story Road apartments on February 13, 1973, to formulate advice to the Superintendent on the renegotiation of the voucher contract. The Story Road Conference was attractive as a mechanism for Levin for two reasons. First, it was efficient. Within one day it would provide a means for collecting and amalgamating the views of representatives of each of the key groups affected by the demonstration (other than the central office staff). Second, and perhaps more important, it represented a means for formulating advice to the Superintendent without subjecting those recommendations to the veto of the principals. Theretofore, policy for the demonstration had been made by the Superintendent and the principals with occasional participation by the Sequoia staff. At a broad-based conference, the principals would represent only a small portion of the votes.

However, given the strong domination of policymaking by the principals, Levin felt obligated to give them a separate opportunity to formulate revision recommendations for the Superintendent's consideration.

Levin met with the voucher principals on February 1 for that purpose. The previous morning the voucher principals had held one of their private strategy breakfasts. As a result of that meeting they were in a high state of agitation. They had discussed a variety of events, which portended, in their view, a dilution of their policymaking authority in the demonstration. So far as the principals were concerned, EVAC was once again threatening to become an independent force and was participating in the planning for the Story Road Conference; rumbles of discontent about the principals' authority had been detected among several parents; the Ocala "cross-management" proposal advanced by two of the principals had created the first appearance of a division in the principals' group: the beginning of the expansion process clearly meant that the original group would have to expand and become less cohesive; and growing pressure from the Sequoia staff for evaluative information was perceived as a "power play." The principals left their meeting on January 31 in an angry mood. That mood prevailed the following day when they confronted Levin.

The meeting lasted for two hours and substantive matters of revision were not discussed. Instead, the principals plunged immediately into an emotional and extensive condemnation of Levin and his staff. They voiced their discontent over the expansion of the demonstration. They blasted the voucher staff's plans for evaluation. The tone of the language directed to Levin was unusually harsh. The meeting adjourned on a discordant and inconclusive note. Under ordinary circumstances the policymaking process would simply have stopped until the principals were once again ready to address the issues before them. But now an alternative means of making policy, the Story Road Conference, had been temporarily inserted in the decisionmaking process. The intransigence of the principals did not stop the process on this occasion; it simply served to exclude the principals from their accustomed dominant role.

Given their past attitudes and actions, the principals might well have united behind a number of initiatives: the reduction or elimination of the voucher staff; the elimination of EVAC; more funds and authority for HRC; and more money for administrative staff at the school sites. However, they had forgone the opportunity to press those positions.

The Story Road Conference. On February 13, eighteen parents and twenty-three teachers from the demonstration convened at Story Road. The President of AREA attended. Although each of the voucher principals attended for part of the day, they did not unite as a group and only represented one-eighth of the votes present at the meeting.

Levin convened the meeting and quickly broke it into five simultaneous sessions to consider various aspects of the first year's experience. Conference participants were free to attend the session of their choice, and members of the voucher staff and the handful of activist parents were drawn to those subgroups considering parent participation and the role of the parent counselors. For the first time in a year, advocates of a strong parent participation were in a position to influence a policyshaping forum.

Sensing that matters were getting "out of control," two of the voucher principals succeeded in persuading the session they attended to recommend that all decisions of the Story Road Conference be referred to individual school staffs for their views. The principals saw this move as a way to divert any objectionable recommendations of the conference. The conference later approved this recommendation, but it was never implemented because neither the voucher staff nor the principals chose to devote the requisite effort to accomplish it in the short time remaining before negotiations started in Washington.

Sessions dominated by parents and voucher staff produced the following recommendations for consideration by the full conference:

1. Strengthen EVAC by making it an elected body, giving it in-service training, and providing more information to it.

2. Increase the number of parent counselors and expand their authority to include "parent education" as well as dissemination of information on program options. In addition, they recommended that counselors be assigned to specific schools to deepen their involvement with the community. However, it was also recommended that such assignments be rotated so that parent counselors would not develop an allegiance to a specific school, as distinguished from the demonstration as a whole.

3. Require each mini-school to create a parent advisory council.

Each of these recommendations was approved by the full conference. The principals were unhappy with each of these suggestions with the exception of the assigning of counselors to specific schools. However, given the fact that they were outnumbered, they chose not to make an open fight over most of them.

The recommendations expanding the role of EVAC and of parent counselors were modest in scope. Although disagreeable to the principals, the recommendations were somewhat vague and it was by no means certain that they would be enforced. They did represent a step in a direction contrary to the thrust of the principals' leadership in the demonstration.

The results of the conference concerning HRC training were also less than satisfactory to the principals. The subgroup discussing HRC training quickly broke into two conflicting camps. The principals present, along with some of the teachers, strongly supported HRC training and urged increases in funding. Other teachers declared that HRC training was useless at best, harmful at worst. Nor did any clear consensus concerning HRC emerge from the full conference. The resulting compromise specified that HRC funding should be continued but be made available for staff-community communication as well as staff training, with this decision to be made by the individual schools. Most important, the conference urged that HRC funding be "voucherized." This step would have given teachers more say in the use of these funds, as distinguished from a strong role for the principal. Finally, the conference urged that HRC training be phased out in the future, and asked that the federal government support the creation and training of an "internal consulting" team within the district to replace HRC in the 1974-1975 school year.

The most active debate at the meeting was on the question of enrollment deadlines. Teachers and principals insisted that parents only be guaranteed a first choice among programs up to an initial deadline. Further, they insisted that the deadline be sufficiently early that reassignment of teachers, if required by shifting enrollment patterns, could be accomplished before the close of school in June. Teachers urged that the deadline for first-choice enrollment be May 18. Voucher staff members opposed the early deadline on the grounds that it would leave even less time to inform parents than had been available the previous year. The voucher staff estimated that they would have only 3 weeks to inform parents of program options, compared with the 6 weeks available in the spring of 1972. The parents split on the issue, and the early deadline was approved 29-11 over the objections of Levin and his staff. Further, subsequent transfers by parents would be limited to "open" classrooms. Thus, the conference ratified the notion that mini-schools should be able to close when enrollment reached a point desired by the teachers. The debate made clear that unrestricted transfer rights for parents was inconsistent with good teaching and administrative practice, as defined by the school staffs. The conference decided that parent rights would have to be restricted if that was deemed necessary by individual school staffs.

On other items, the conference decreed that each school would have to offer at least two mini-schools; urged that the compensatory voucher for elementary school children should equal that for middle school children*; and the conference urged mini-schools to videotape their programs to provide better information for parents.

Finally, the conference generally avoided the possible problem of ethnic balance. It merely urged "If a program becomes ethnically unbalanced, notices will be mailed home to parents. They will be invited to a meeting to discuss the problem, and they will then vote whether or not to have their child transferred." The recommendation reflected the group's uncertainty as to whether individual parent's rights should be curtailed in the interest of ethnic balance.

Unlike the Santa Clara conference, the Story Road conference never addressed the question of the size of the Sequoia staff or the cost of central staff services for the demonstration. These were issues that had been reserved for the Superintendent.

Although unpalatable to the princiapls, the conference's recommendations proved attractive to the Superintendent and OEO. The resulting negotiations increased the size of the parent counseling staff, provided more flexibility in the use of "management training"

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*This position reflected the strong feelings of the elementary teachers at the conference that the traditional district practice of spending more per pupil at the middle school level, compared with the elementary level, was unfair and unjustified.

(HRC) funds at the school site, and provided for a phase-in of an "internal consulting team."

The negotiations also considerably increased the authority of EVAC. In the contract for the 1973-1974 school year, EVAC was given $5,000 for its own operation; was given authority over $36,000 to be used for temporary instructional facilities at crowded schools; was given authority to allocate $14,000 for workshops to improve school-community relations; and was given power to award $60,000 for intiial planning at schools wishing to join the demonstration in the 1974-1975 school year. In total, EVAC emerged from the spring 1973 negotiations with authority over the expenditure of $115,000. This new authority represented a conscious effort, by both OEO and the Superintendent, to invest EVAC with genuine participation in policymaking, a step repugnant to the principals.

# Chapter 6: The HRC Process in the Alum Rock Voucher Demonstration: A Discussion

The Center for Human Resources and Organizational Development (HRC), a private firm, assisted the district with the introduction of vouchers. HRC is a rather small firm of consultants (10 persons or less) headed by Dr. Patrick M. Williams. Dr. Williams is an Associate Professor of Manpower Administration at San Jose State College in San Jose, California. HRC is representative of a relatively new field, Organizational Development (OD).*

## Organizational Development Theory: Principal Tenets

"Organizational development" refers to a body of theory, research, and techniques related to the application of social science knowledge to organizational problems, particularly the problems of planned organizational change. Stated very briefly, OD is concerned with the organization as a social milieu, in which patterns of work and change are determined by the human and social characteristics of personnel as well as by the organization's formal structure and system of authority.

Most theories of OD are oriented toward conceptualizing the processes by which planned change efforts succeed or fail. Specifically, OD theories tend to be heavily concerned with the politics of the change process: some roles may be elevated and others diminished as the organization changes. Planned changes frequently generate anxieties and resistance from individuals or groups who fear losing their prestige, influence, or positions as a result of the change process.

Many theories of OD advocate particular methods or approaches for dealing with the political issues involved in the change process.

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*HRC is one of a large number of firms providing consultation on organizational development. Since the evaluation task in Alum Rock did not involve study of other firms in this field, we do not provide any comparison between HRC and other firms. Therefore, conclusions on the strengths and weaknesses of the service provided by HRC may not be applicable to other firms.

Two central themes, found in most approaches, are (1) participative decisionmaking, and (2) increased communication about social process within the organization. Theory and research, as well as democratic values, are cited to support these approaches. OD has many advocates and critics as a technique to change organizational performance.

An assumption made in OD is that the organization that aims at change must be responsive to the human consequences of that change for *moral* reasons, i.e., it must not ride rough-shod over the feelings and ideas of its employees, and for *pragmatic* reasons, as employees can block or promote the desired change, depending on how they feel about it. To this end, OD methods usually attempt to promote a climate in which people are willing to speak up without being in immediate danger of having their "heads chopped off," and in which they can freely express all their reactions and concerns regarding the intended change. OD further seeks to provide a setting in which individuals at all levels of the organization can be part of working groups that are really heard (i.e., who make their "input" effectively) in the decisionmaking process. This process is designed to confer upon all participants in the deliberations some of the "ownership" of the desired change and of the new goals, once they have been adopted. Employees will then work toward the implementation of certain decisions for change as their own goal, not just that of top management.

Most OD approaches stress the need for staff development training to enable people to work together effectively in deciding on change and implementing it. For this they must first acquire some skills. Among these are listening skills; the ability to give "input" and accept "feedback;" agenda building at meetings; and so on. Thus it is essential to place people into a group context which is both honest (i.e., where people can really speak their minds) and supportive (i.e., where individuals will be treated in such a fashion that they can "afford" to accept the feedback their frank statements may evoke). Finally, according to theory, the group must become cohesive, so it can effectively assert its views to others on individual decisions.

Beyond that, OD consultants claim to be in a position to learn a great deal about the ideas and feelings of the individuals and groups concerned on the subject of the intended changes. This enables the consultants to advise top management--in the Alum Rock case the Superintendent--on how fast or slow the change process can proceed. Thus, in addition to being what one might call a facilitator, the OD consultant is also a navigational aide for those at the top of the organization.

One potential source of controversy in using OD consultants to "facilitate" organizational change is that such consultants are rarely neutral in the political process of deciding how the organization should change. Some consultants openly take advocacy positions. Others claim neutrality, but clearly act in ways which are not neutral. Only a few consultants strive for and attain a position which does not take sides in the organization's decisionmaking processes.

Within Alum Rock, the HRC consultants have been perceived by many school personnel as claiming to be neutral, but of not in fact being so. For example, many perceive HRC as being provoucher, even though it is officially neutral. Some people feel that HRC has wrongly tried to impose its conceptions of organizational and interpersonal effectiveness on persons not convinced these conceptions are right.

## HRC's Theories*

HRC's prospectus describes its role as providing help to organizations to bring their administrative structure and "organizational culture" in line with the requirements of the technology available to them. HRC's past experience was primarily in the business sector. However, as HRC points out in its literature, it is not only interested in such "thing-oriented" organizations as businesses; it is also interested in "think-oriented" structures such as, presumably, school districts, i.e., organizations that, in HRC's words, rely primarily on "human capital" rather than "physical capital." In the HRC view, such

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*In addition to other sources of data used in the preparation of this report, this chapter draws upon information derived from an all-day meeting with Dr. Williams and Mr. Dan Rose of the HRC staff.

"think-oriented" organizations should exhibit "participative styles" rather than "autocratic styles;" that are, "in terms of culture," "organic" rather than "mechanistic;" and they consist of participants with "high need involvement" rather than "low need involvement." Though psychologically oriented, HRC does not see its role as "bringing therapy to individuals," but rather as aiding organizations to function more effectively by "bringing technology, structure, and culture into alignment with one another."

Involvement of HRC in Alum Rock--Background. HRC began to work for the district in late 1970 at the invitation of Superintendent William Jefferds, who felt that the highly centralized decision making and control structure in the district, practiced for valid reasons under his predecessor, had gradually become obsolete. With a leveling off in student enrollment and with fewer new schools, and with an increasing accumulation of teaching and administrative experience by key people such as principals, Jefferds foresaw an opportunity--in fact, a need--for decentralization of administrative authority down to the school-site level. In 1970, he began efforts to bring it about.

Jefferds felt from the beginning that his decentralization efforts (which antedate the inception of the voucher demonstration in Alum Rock) could be successful only if they were expedited or facilitated by some special methods. Jefferds held the view that many people, particularly on the central staff, were not sufficiently flexible to be able to "change course" and accept a change in their role, and that some outside agency was needed to assist them in becoming receptive to such change and capable of implementing it. He thereupon experimented with various types of "sensitivity training" with his district staff, but found the results disappointing. Jefferd's view was that this early "sensitivity training" led only to interpersonal bitterness with little increased receptivity to change among his staff.

In the same year, Jefferds met Dr. Patrick Williams, president of HRC. Jefferds sought and secured his assistance. Thus HRC began to help Jefferds and his staff to prepare for decentralization even before the voucher demonstration came to Alum Rock. In June 1971 Jefferds obtained funds from OEO to support HRC training as a prelude to the actual conduct of the demonstration.

*How HRC Sees Its Role in Alum Rock.* The scope of activities and effects HRC envisions for itself, on the basis of its own literature and memoranda, is of considerable breadth and depth. In a report on his firm's activities, dated September 27, 1972, William says: "During the past year [HRC] has provided consulting services for the Alum Rock Elementary School District for the purpose of assisting it to effect *fundamental cultural, structural and technological changes.* These changes were *required* as a result of Alum Rock having applied for, and been granted funds ... to conduct an education voucher experiment in some of its elementary schools...." (our emphasis).

HRC sees itself as a "team builder." In the report quoted above, Williams refers to having helped the school district's top and middle management to "identify the necessity of maintaining internal group integrity and examine the potential alternatives available in order to facilitate the shifting of power, influence and authority from Central Staff to principals."

William's report continues: "The 'real' issue of the [required] role changes was not one of roles as related to job functions, but rather roles in relation to the implementation of new behavioral norms required to support the voucher effort." Williams concludes: "the most important single change [from early efforts in the district] has been the shift of ownership of goals and objectives to the local school level." Such a shift in the sense of "ownership" seems to have occurred, at least in part. Participants in the demonstration often state that the goals they pursue in the demonstration are essentially their own, not those of the district or the Superintendent. As one teacher stated with satisfaction: "We always used to say 'they' want this or that, but now we say 'we' want this or that." However, it is impossible to determine to what extent this shift downward in the "ownership" of goals should be credited to HRC; to Jefferd's long-standing decentralization efforts; to the introduction of the voucher system; or to other causes.

*HRC's Modus Operandi.* In its capacity as OD consultant in Alum Rock, HRC has worked extensively with actors at all levels of the system. The HRC representative most active in the district meets once a week with the Superintendent for an average of two to three hours. HRC meets at least once a week with principals, for a total of about ten hours spent with principals jointly or singly. HRC also conducts workshops for teachers--either school faculties as a whole, or mini-school faculties--and for resource personnel, for an average total of three days per month. HRC has also conducted workshops for central staff, and for central staff in conjunction with voucher principals. On the average, HRC has two consultants in the district.*

HRC representatives are involved in two types of meetings in Alum Rock. First, HRC conducts special workshops or meetings, bringing school personnel together for training in interpersonal "communication," focusing primarily on the "process of communication within groups." Second, HRC consultants attend school meetings where substantive business is to be transacted and intervene when communications bog down. In both types of meetings, HRC's efforts are aimed at "bringing things out into the open," be they feelings among participants toward each other or toward the professional issues under discussion. Meetings convened by HRC have been long (two to three days) and some have taken place away from the district. HRC's usual retreat during the first year was Pajaro Dunes, an isolated beach resort about 20 miles south of Santa Cruz. This site has been used mostly for meetings of the principals' group, while most extended teachers' workshops have been held either in school buildings or private homes.

In all such meetings, whether they are specifically arranged by HRC or routine school district sessions attended by an HRC representative, HRC's principal aim is to expose and resolve hidden fears and reservations, help assuage anxieties, or remove resentments, inhibitions and other impediments to the free flow of input and feedback. Participants are encouraged to engage in what are to some extent exceptional and nonconventional group activities, such as saying what they like or dislike about each other, why they do or do not trust each other; and so on. Sometimes HRC will divide participants into small groups and encourage them to engage in various group communication exercises. In the ensuing discussions, a standard device of the HRC attendant is to remark: "What I hear you say is ...," suggesting that the speaker really had in mind something other than what is being verbalized, which often turns out to be the case.

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*These figures are based on HRC's own rough estimates of time spent in Alum Rock.

In HRC training sessions participants are urged to disclose their feelings. These exercises all lead to some degree of self-disclosure, and expose each participant to the often aggressive criticism of his or her peers. Participants are frequently challenged--about not being candid; holding back thoughts; trying to please or dissemble--such interjections being voiced either by the HRC representative, or by participants who adopt HRC methods. In general, it appears that participants fall roughly into three groups: those who really begin to display an often surprising degree of candor; those who remain largely inhibited and inarticulate; and those who somehow adjust to the requirements of the game in their own fashion and "play" candid.

The immediate result of the various HRC interventions is generally a shift in mood or atmosphere from what would ordinarily prevail at a meeting that is "strictly business." Participants react in various ways to HRC intervention. Some participants soon begin to become active rather than passive participants, i.e., they will suggest on their own that the group go through certain verbal and psychological exercises. Those who are becoming more active on their own are then regarded (and apparently regard themselves) as having developed "communications skills" they did not possess before. At some meetings, steered or attended by HRC, a change in interpersonal relationships takes place (generally, it appears, for the better, at least temporarily).

Three Vignettes. To provide a keener understanding of the techniques used by HRC,* we include brief accounts of observations at three events in which HRC played a major role.

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*It should be pointed out that HRC, at various times, assigned several different individuals to work in Alum Rock. The personalities and techniques of these individuals varied. Therefore, to talk of HRC without reference to the behavior of specific staff members is an over-simplification. However, it is an over-simplification required by the need to protect the anonymity of the participants to the maximum extent possible.

1. On December 6 and 7, 1972, i.e., rather early in the demonstration, Jefferds and HRC jointly called a two-day meeting in the Holiday Inn in San Jose. Present were most of the principals of Alum Rock's 24 Elementary and Middle Schools, some members of the Central Voucher staff, including its director, Joel Levin, and several members of the Central District Staff, including Jefferds and Deputy Superintendent Walt Symons. HRC's Director, Patrick Williams, conducted the meetings with the help of his assistant, Dan Rose, who would later become HRC's principal representative in the district.

There was a blackboard in one corner of the room, and one wall was covered with posters containing brief messages in bold script, such as: "I'm OK--You're OK," etc.; slogans from Dr. Berne's *Games People Play*, and tenets of his transactional analysis. Activities consisted partly of lectures on OD, partly of a variety of games and verbal exchanges in which those present participated. The lectures described primarily what constitutes a good and smoothly functioning organization and good leadership, with stress on such generally accepted (but rarely attained) desiderata as open lines of communications up and down, mutual trust, frankness, careful and systematic use of time, and so on. The games were designed to encourage individuals to rate each other face-to-face on the basis of a wide range of personal attributes, such as intelligence and aggressiveness, and then justify to each other why they had selected a particular rating. Participants were also asked to fill out questionnaires with controversial questions (e.g., who was ultimately responsible for the massacre at My Lai?) and then critique each other's views.

On the whole, the participants appeared to enjoy the proceedings and began to try out new roles for themselves, and new attitudes toward each other. Some evidenced surprise--not always pleasant surprise--when another's image of them conflicted with their own self-perceptions, but they readily accepted discussions about their own attributes with relative strangers. When the games ended, and the second day of the session wound up with a final lecture by Patrick Williams on what the virtues of good organization should be and how they could best be attained, some of the participants began to practice on the speaker what he had preached. They interrupted him, telling him frankly that they were bored, that they failed to understand the lecture, or were getting nothing out of what he said. The speaker appeared quite satisfied with this display of candor, although he responded sharply to one critic. The voucher demonstration itself was not specifically discussed during the sessions.

2. A key area of HRC's involvement in the voucher demonstration was its participation in the process during which school faculties decided whether or not to join the demonstration. HRC's activities were observed in February 1973 at a two-day meeting held at the home of one of the teachers by the faculty of Hubbard School. The Hubbard staff met to discuss whether the school would join the voucher demonstration in the 1973-1974 school year and become one of the "expansion schools" in the voucher demonstration. In addition to the entire faculty, the principal, assistant principal, and school secretary attended.

The Hubbard School meeting began with a game that one might call a "morality game"--all participants were asked to assess, on a value scale, the respective worth of half a dozen personalities caught in a hypothetical situation full of moral dilemmas, wherein the characters had to choose between personal loss, infidelity, untruthfulness, and so on. After rating the hypothetical characters on the given value scale, participants were asked to integrate their views and reach a common view on how to grade the various characters in the story. In the course of the discussions, the participants undoubtedly learned a good deal about their own attitudes, and about those of their colleagues, toward a variety of moral and ethical issues.

When the game had ended, after generating a fair amount of relaxed merriment and perhaps camaraderie, the discussion turned to the voucher demonstration itself. What was striking in the discussion was the absence of any real expertise on the subject, or any real demand for it. Occasionally, one of the teachers would suggest that someone able to provide solid information, i.e., members of the Central Voucher Staff or the Director himself, be called in to answer precise questions on compensatory vouchers, SB 90, Title I, and so on. However, the discussions never came to the point where the presence of an expert was seriously demanded, and the entire two days and the final vote in favor of joining the demonstration passed without the voucher staff's presence.

One matter discussed at length was the "stigma" that several teachers said attached to those opposing the voucher: they complained that the voucher was touted by adherents as the wave of the future; a new thing of great promise; a worthwhile innovation in education; and to not go along with it was to risk being called a "reactionary."

The sessions were punctuated by verbal profanity on the part of the HRC staff member in attendance. This is noteworthy because his use of profanity in HRC sessions in the presence of women teachers was one example of continuing behavior on his part which led to much dispute in the district. It is not possible to say just what the net effect of the profanity really was. It clearly had a shock effect of sorts.*

Initially, many of the teachers present at this two-day meeting appeared opposed to vouchers. However, as they talked with one another in small groups, much of the opposition softened. In part, this may have been due to the principal's support for joining the demonstration. In part, it was due to the extended opportunity afforded teachers to voice and assuage their anxiety about the change process. In part, it may have been due to subtle expressions of provoucher sentiment by the HRC representative.

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*It appeared that, as a reaction to the displeasure that some teachers expressed to the use of profanity and the stimulation of interpersonal confrontations among teachers, HRC staff members eventually moderated their tactics, particularly in nonvoucher schools which were considering participation in the demonstration.

Participants in the meeting who voiced objections to joining the voucher experiment--on grounds that more work might be required, or because they feared the enforced closer cooperation with each other in the mini-schools, or because of fear of "hucksterism," or because they worried lest past and successful innovation might be superseded--were made by the HRC representative to support and explain these objections quite rigorously, often beyond their forensic capability. On the other hand, those who spoke in favor of the voucher for one reason or another (who, after all, might have been challenged too, and whose arguments might on occasion have evaporated under intense discussion) were generally exempt from cross-examination.

3. A third type of meeting, organized by HRC in Pajaro Dunes, is exemplified by two sessions, one held during June 19-21, 1973, and a subsequent meeting, with the same participants, held August 23-25, 1973. At the first meeting, the six original voucher school principals and the principals of schools that had newly joined the demonstration (the "expansion" schools) were present. The "expansion" principals were exposed to what one might call "initiation rites" by the six veteran voucher principals and the HRC representative, with varying amounts of psychological pain and intellectual bafflement inflicted on them. They were made to feel that to join the "club" (the cohesive original voucher principals' group) they would have to learn the "communication skills" that were mercilessly practiced on them in the initial session, and that they could not really hope "to catch up" with the veterans who had been the original "risk-takers" in the voucher process and who might, therefore, play a superior role in the enlarged group for quite some time to come. However, the

"veterans" said that they considered it desirable that the "new 13" eventually form a cohesive group. The ultimate purpose of such cohesion and cooperation was frequently described as being a "power base" that the principals needed when facing the Superintendent, or the central voucher staff, or others.

The techniques used in the meeting were to a considerable extent those used in other HRC sessions, i.e., psychological games, free exchanges and challenges among individuals and groups, criticism of and enforced self-criticism by individuals and, in all, some very rough treatment for the newcomers. The new principals responded to the "treatment" in different ways, ranging from defiance to subservience. Though it is not possible to state just what the meetings attained with regard to the group cohesion which was regarded by the veterans and HRC as *so important*, there can be little doubt that all the participants came away from the meeting (and also from the subsequent meetings on September 27-29) knowing each other considerably better than they had before. For a total of six days (three days at each meeting), the participants had exhibited to each other their communication skills, their stamina under pressure, their quick or slow wit in tricky situations, their truculence or pliability. What the "expansion" principals had *not* exhibited to the satisfaction of the veteran voucher principals was what is one of the pivotal watchwords in the district--"commitment." At least not the required degree of it. The oldtimers kept attacking the newcomers on that score, charging that the latters' commitment to the voucher was insufficient for them to stand up under the strain which, in their view and experience, the changeover to the voucher required.

How actors in the district see HRC. In view of the fact that HRC tries to dig deep and aims strenuously at conflict resolution, it is not surprising that many reactions to HRC in the district are on the strong side, ranging from approbation close to worship to angry condemnation. However, there also is much moderate criticism and qualified approval, i.e., quite a few people simply take HRC in their stride. Among the various groups interviewed who had participated in HRC training, a rather prevalent view seemed to be that HRC was somehow a necessity, or at least an advantage to the demonstration, though not necessarily a very palatable one. As one teacher put the ambivalence of feelings HRC had evoked in her: "It reminds me of the Listerine commercial, 'You hate it but you use it.'"

Clearly, HRC has a "reputation" in the district, particularly with the teachers. One part of that reputation is that one of the HRC consultants--as already stated--uses much profanity. The other part of HRC's reputation is that it pushes people to reveal themselves to others in ways that may go beyond the needs of professional cooperation; in ways that are often uncomfortable and embarrasing, and on occasion extremely disagreeable to individual participants. Yet not all participants in the Alum Rock demonstration have a highly charged emotional relationship to HRC. Some even regard it with indifference; some as a waste of time; and some as a mild, necessary evil, in line with the above Listerine quote.

HRC and the Administrators. The Superintendent has claimed that the voucher demonstration could not possibly have gotten off the ground without HRC. He acknowledged that both HRC functions--facilitating group discussions and providing information to him on current "climate" and problems within the district--were invaluable to him, particularly the former, because the process of bringing people to communicate more effectively with each other required, above all, large amounts of time, which he simply did not have at his disposal. Though at one point Jefferds wavered temporarily in requiring HRC training for new voucher schools, his positive views on HRC, and his conviction that HRC was needed to generate the commitment needed to make the voucher demonstration work, apparently never changed.

Walt Symons, Deputy Superintendent of Schools, also has a positive view of HRC, albeit different from that of Jefferds. In his opinion, at the end of the first year, HRC's role was no longer as necessary as it was in the beginning. "You go up in an airplane and at first you rely on your instructor and then you finally get your license and you are able to perform, you've learned there is nothing mysterious about the moves, they're basic, and I think that's what happened with HRC. There is nothing mysterious about what HRC does. People have soloed now, and for HRC to [remain valuable], they will have to offer something different beyond the kinds of skills they are offering." Asked how crucial he thought HRC's role had been in the course of the demonstration, Symons said: "If it hadn't been HRC, it would have had to be someone else. I'm not saying it had to be HRC. It *is* HRC and I want to give them the credit for it, but it could have been any organization that could have come in here and dealt with people communicating with each other. Otherwise we would have nothing but power struggles, spending all our time solving the power struggles rather than dealing with communication skills."

In the eyes of virtually all of the six original voucher principals, HRC has done a great job. One of the most articulate of them, who had stressed how many changes the voucher had wrought both in the system and in himself, was asked whether he thought such a metamorphosis in himself or in the system could have taken place without HRC. He replied: "I doubt it, simply because they [HRC] were able to function as a reasonable catalyst that put the system in a state that allowed those changes to take place, whether it be in this building [this school] or at the district level. It's one thing for you to want to change; it's another thing for the system to allow you to change." This principal continued: "And when I say 'system' I'm talking about people. People talk a lot about change. 'Man, we've gotta have change. We really want change.' But they are also the very ones who are highly resistant to it when it comes. So I think that HRC *did* help because I think this staff of mine had gone as far as I could take them, and I used HRC purposely as a catalyst to bring about additional change that I thought was necessary and wanted to get at in the building and in that same process I knew *I* had to change, too."

Another of the original voucher school principals, equally positive on HRC, had this to say: "I think I gained by working with the group [of other principals who were helped along a good deal in the beginning by HRC] ...being able to accept the fact that I may be out in left field and they will tell me so and I can accept it. We are [now] able to communicate with each other and say, 'Hey, I think you are out in left field' and then we are able to take a look at this particular aspect in question." This principal was asked whether all this was due to HRC. He replied: "It wouldn't have to be HRC, but someone [was needed] who is trained to take a look at things, think about things, your own feelings, get things out." A third "original" principal had this to say: "I think [HRC] has unleashed our communications. What has happened is that many of the people who were involved did not communicate. When communication comes it [this] is not necessarily a plus or a negative." In fact, it can be the latter: "When you do open up communication, you spin wheels a lot of time." On the whole, he felt HRC had helped a great deal. Asked to be more specific on what HRC had done for him that had facilitated his role as a principal, he replied: "Well, the biggest things they were developing were strictly the communication tools that you possess in listening and talking. These things are so closely related to your own ego that they touch the area that is psychological in nature. Communication is really related to self-concept. The other thing, of course, decisionmaking, follows that. The decisionmaking, good decisionmaking skills, can really not be practiced unless you can coherently make yourself understood and you can make sense of what other people are saying. As so-called middle-managers, we have to be taken through some processes of learning practices and exercises, and I don't think that anyone else has ever said this. It's no being stated, at least. I think that we went through some practices.... ny of the things we did directly with HRC in their work sessions with us, we thought of them as tasks, but looking back, I think they were practice, they were exercises."

So dedicated was this principal to HRC that, by his own statement, he became disillusioned when the Superintendent temporarily relaxed the rule that every school had to go through the HRC training. "Yes, it put a cloud on his integrity. It made it appear to me--I don't know whether the others felt this way--that he was getting other schools into the expansion process at all cost, even to the degree that he would compromise certain standards." The principal added he could not really understand why Jefferds would compromise on the HRC issue. "OEO probably needed expansion and pushed him. It bothered me because Jefferds did not come out and tell me the truth, if that was the truth. The only thing I could think of was that OEO was really putting the pressure on him." The principal then expressed the view that HRC might at times have strayed into "T-group stuff" which caused "bad PR." He concluded by saying that educators are "insecure people," and "insecure people are doubly reluctant to look at themselves, as HRC leads them to do."

Some others of the original voucher principals did not share this solidly positive view of HRC, however. One of them, without giving too much of an opinion of his own, stressed that his staff had done well in the transition to the voucher system without HRC help because "it had good teacher leadership," and because "they already had experience in being involved in decisionmaking." He said that HRC had been useful in "pulling together" some of the voucher staffs, but added that it had been "a disaster district-wide." He meant that, on balance, HRC had been one aspect of the voucher demonstration that many people had come to fear.

One principal, who said that HRC had been a real necessity in the beginning of the demonstration, felt that the time had come to think of "phasing it out." He said that in the beginning he had made many efforts, with HRC's help, to bring the staff together. "At one time, I was highly committed and felt that it was highly significant that I maintain a togetherness [of the teaching staff] in terms of total commitment. I have since recognized that that is not an important factor, that they [the teachers] can go in separate directions, that there can be a lot of separatism, and yet when it is necessary to work together in a task-oriented situation, as [we] have done now [in the first part of 1973], I have completely done away with [efforts of my own] that would be in the direction of bringing the staffs back together; [I rather have tried] to allow [the staff] to kind of bring itself back together, and in many ways it has. And I found that they can [get] together when they need to and they can be miles apart when they don't...and still function very well as a school." Asked if his staff can bring themselves together without HRC, he stated, "At this point in time...most definitely."

It is noteworthy that this principal not only assumes that after a half year of the HRC experience his staff can iron out their own communications problems, but also that close cooperation, harmony, and consonance of attitudes and purpose may not be all that crucial ("...They can be miles apart...and still function very well as a school.").

Similarly, the question occurs whether the same does not hold true of the district's principals, too. Perhaps they, too, can be "miles apart" and still function very well as a district. Superintendent Jefferds, questioned on the subject, asserted that there must be extensive cohesion and cooperation among principals, and that this can only be attained through HRC training.

One reason why the first six voucher principals are so positive on HRC is that, by aiding them to become a cohesive group, HRC has increased their power. "Power," and how to attain and exercise it, is discussed very extensively at HRC sessions. This power, attained through cohesion, has tangible and emotional payoffs for the principals and is, undoubtedly, an important reason why they are such strong defenders of HRC's work in the district. Whether this power helps the voucher demonstration always in desired ways is debatable, of course.

HRC and the Teachers. Teachers have, on the whole, a quite different response to HRC. Their reactions tend to range from favorable to ambivalent. One teacher complained about the "heavy confrontations," "being put on the spot," and "being knocked-down." She does not like "the games" and the "needless full self disclosure." She is somewhat less averse to the procedure when it is conducted by HRC representatives who are "more gentle and subtle."

Another teacher described the HRC sessions as "emotional wring-outs," and felt they produced no particular benefits. One teacher opined that HRC sessions were tailor-made for "exhibitionists," but conceded that the process had helped to attain closure on controversial issues. What angered many teachers about the HRC method was not so much the means used, which many of them found painful enough, but the ultimate aim some suspected behind all of this: to make them vote in favor of the voucher demonstration, and work assiduously for its success, whether they really liked it or not. Some teachers felt maninpulated, at least those who did not have a clear positive posture toward the voucher to begin with.

What may have been influencing (and perhaps vitiating, from the point of view of honest decision) the entire procedure of voting on joining the demonstration may have been a sequence of events such as occurred at one of the original six schools. There, the principal wanted to join the demonstration and the teachers, despite HRC ministrations, voted against it; whereupon a second vote was "engineered" which, this time around, ended with the reverse decision: the teachers voted to join.* Conceivably, reports of this experience of the futility of a negative vote hung over many other faculties when the voucher was discussed and voted upon.

Some teachers took a very casual view of HRC. All that bothered this group about HRC was giving up some weekends to attend HRC meetings. Some teachers complained that the very frankness of the sessions "opened more wounds than it closed." One teacher said: "Now that we have brought everything out into the open without resolving things, cooperation has become much more difficult."

Going beyond their own personal experience, some teachers expressed the view that their principal had been adversely affected by the HRC training. They said they had detected a change in his behavior at school and did not like it. His attitude toward teachers was now "more business-like, less personal." (Obviously, if this were so, it would be an open question whether this is "good" or "bad.")

On the other hand, some teachers simply said about HRC that they were "100 percent for it." Others were more qualified in their approval, such as this respondent: "HRC has been helpful to us, both personally and as a group. Although there were some God-damned painful scenes, we couldn't have done without it." A matter often mentioned by teachers in HRC's favor was that the games and discussions in the sessions had helped the teachers "to know each other better." One teacher taking this view explained the resistance of others on the grounds that they were "very self-contained." Indeed, some teachers so admired HRC that they contend that all teachers should be forced to undergo HRC training, whether they wish to or not.

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*A number of interviewers reported to us that a principal, if joined by a small group of teachers, can wear down the opposition to voucher participation, even if a majority of teachers are initially opposed.

The response of the teachers adds up to the view that HRC training, though no fun for most (though for some), was not hell for most either (though for some); that it was by-and-large accepted with little resistance; and that teachers on the whole felt that it furthered the demonstration. Much personal dislike was expressed for one HRC representative in Alum Rock, partly because of his often obscene language, partly because of his aggressive behavior. HRC holds at least a mild fascination for many, perhaps because the process itself (sitting around chatting, breaking the daily routine, playing psychologically stimulating games, airing some resentment) was "fun" for most, even though it was also "God-damned painful" for others, and, perhaps, both at the same time for some.

Findings From the Teacher Surveys. Table 6.1 shows how teachers from the thirteen voucher schools assessed their HRC training in the spring of 1973. Strict comparison of the fall 1972 and spring 1973 figures is not possible because the wording of the questions was slightly different. Nonetheless, HRC did seem to receive a somewhat more positive evaluation at the end of the school year than at the beginning. HRC's proponents among the teachers outnumber the opponents by a margin of about three to one; yet some polarization of opinion is evident in the fact that 30 percent of all teachers responding saw HRC as having a harmful or very harmful effect on their school faculties. These findings are clearly supported by the personal interviews conducted by the Rand staff. It can therefore be said tentatively, on the large amount of evidence accumulated by Rand, that on the whole HRC had more approval than disapproval from teachers.

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Table 6.1

Question: All things considered, how would you assess the effect of the Human Resources Center (HRC) training...

Thirteen Voucher Schools

| | Helpful Or Very Helpful | No Effect | Harmful Or Very Harmful |
|---|---|---|---|
| A. On Your School Faculty | 54% | 16% | 30% |
| B. On Your Mini-school Faculty (6 Schools Only) | 54% | 28% | 18% |
| C. On Your Principal | 59% | 28% | 13% |
| D. On You Personally | 56% | 27% | 17% |

Six Original Voucher Schools

| | Helpful Or Very Helpful | No Effect | Harmful Or Very Harmful |
|---|---|---|---|
| A. On Your School Faculty | 53% | 13% | 33% |
| B. On Your Mini-school Faculty | 54% | 29% | 17% |
| C. On Your Principal | 68% | 22% | 11% |
| D. On You Personally | 57% | 25% | 18% |

Seven Expansion Voucher Schools

| | Helpful Or Very Helpful | No Effect | Harmful Or Very Harmful |
|---|---|---|---|
| A. On Your School Faculty | 56% | 20% | 25% |
| C. On Your Principal | 48% | 37% | 15% |
| D. On You Personally | 54% | 29% | 17% |

## Concluding Remarks

HRC evoked different responses from different groups within the professional staff.

For the Superintendent it has been a management tool that, according to him, has lived up to his hopes and expectations and has been of crucial importance in implementing the voucher demonstration.

For the "original six" principals, it has been a very powerful and unique experience. Their feelings toward the process are highly positive, in some instances almost reverent. With the possible exception of one or two, they have become "true believers" in HRC, not only as a means of promoting the voucher, but as a means of acquiring new status and new skills.

For other administrators and for the teachers, it has been a mixed blessing with mixed responses. In part, it appears to have helped the professional staff to "get excited" over the voucher demonstration and thereby generate energy towards its implementation. It appears to have helped people work together in new ways, and to accept and implement change.

But the training has also alienated some people because they perceive that HRC constitutes an intrusion upon their time and personal feelings. In this respect, HRC training may have coerced some staff to accept the demonstration by creating psychological pressure in the sense that HRC-led groups place a high emotional premium on being a member of the provoucher faction within school staffs.

For district staff, the HRC sessions gave them an unprecedented opportunity to spend time by themselves away from the schools to discuss common problems. This had an effect because the mere designation of staff members to receive training tended to identify them as important and as potential change agents. It seems reasonable to assume that once they are designated as "change agents," employees will try to live up to that role.

HRC asserts that it teaches skills that have an impact separate from those just enumerated. Some of these skills include the ability to listen and accept personal criticism. We have no reliable measure of the extent to which such skills were learned, although a number of interviewees claimed that they had developed such skills.

One set of skills--developing the ability to design and adhere to agendas for meetings--is observable. In this respect we observed that such skills were practiced when certain HRC consultants were present. However, it was also observed that such "agenda building" skills were often noticeably absent when participants met by themselves, particularly at the school site. (Some interviewees claimed that some central staff groups did, in fact, use these techniques on an ongoing basis.) Therefore, in this one aspect of training, our limited evidence indicates that, if learning took place, it tended to see only intermittent use.

Furthermore, if improved communication skills lead to improved intergroup relations, then the continuing conflict between the principals and the voucher staff indicates that the HRC training was not successful and perhaps even conterproductive for those two groups.

In view of the behavioral modifications the process appears to produce in many individuals and groups, and the strong emotions that are unleashed in the process, an OD approach as practiced by HRC is clearly a tool that could be abused. It can obscure rather than clarify the professional issues by arousing undue hostility to dissenters of one kind or another, even though it claims to do the opposite. In this respect, HRC techniques can be said to border on the engineering of consent. HRC's training tends to give undue prestige to individuals who have only begun to master the required communication techniques.

The process can be used to stifle dissent because it places such a high premium on "group cohesion" and generates a climate in which those accepted in the group have a high stake, emotionally, in not dissenting. Thus, while the process, as advertised, initially facilitates the expression of dissenting opinions, it appears to make it harder for people to stick to them, once they have expressed them.

Whether or not the process invades privacy is a matter of personal interpretation. Technically it does not, because participants are free not to answer questions or to evade them. When, for example, games are played that are designed to lead to considerable self-revelation, participants can refuse to play. But the group, under

HRC leadership, puts heavy pressure on participants to reveal their thoughts and feelings.

The process seems to have produced "insiders" and "outsiders." People become "insiders" according to the degree to which they have learned, by HRC criteria, to "communicate," make "inputs," accept "feedback" and, more importantly, value the HRC process itself. The true disciples are the "insiders," whereas the skeptics or rejectors of the process are the "outsiders."

Possible guidelines for the future. By virtue of their work, OD consultants are privy to candid statements made by a wide variety of members in a given organization. The reporting of such statements to the management could conceivably provide a stimulus for retribution directed against such employees. (There is no evidence that any such abuses were perpetrated in Alum Rock.) Such a possible abuse raises important questions about the control of OD consultants.

Control of the process. Although the President of HRC always maintained that his firm's client was the entire "client system" (the total district staff), it seems likely that HRC would have some temptations to be more responsive to certain segments of the client system than to others. For example, HRC reported to, and was subject to direction from, the Superintendent. Further, because principals were in a position to purchase HRC services for their schools, and to charge such services to a centralized federal fund that supported HRC services, it was very much in HRC's financial interest to remain on good terms with the principals. On the other hand, teachers often lacked effective control over the extent of their involvement in HRC's activities. When the Superintendent has advocated placing HRC support funds in school-site budgets so that teachers would be able to exercise discretion over the nature and extent of the training services they receive, HRC representatives objected and argued that, given an option, teachers will purchase less HRC service than have principals.

The problem of prior information for participants. The question of giving teachers discretion over their own organizational development training raises an important point. Some advocates of such training maintain that those who have not undergone the training lack the experience and knowledge necessary to determine their need for training. Some teachers in the district resisted the training until HRC could provide a clear description of what would happen to them. HRC replied that the training was primarily an emotional rather than an intellectual matter and that an individual can not judge it without having experienced the training.

It is unquestionably true that no OD consultant could possibly predict all of the ramifications of training in advance. Consultants in this field must alter their choice of specific techniques based upon the reaction of each new group. However, the objectives of the training, and the range of techniques that might be used, could be described in advance with some precision. Perhaps inadvertently, HRC maintained an unnecessary aura of mystery about the nature of the craft. As a result, rumor and apprehension tended to affect staff preconceptions of HRC training.

Manipulation. Some district staff, especially some teachers, viewed HRC training as manipulative. That is, it caused them to do various things they would not have chosen to do if HRC had not been present. Others, having participated in the same situation, view the HRC training as helping their group to make more honest decisions consistent with the "true" wishes of the group's membership.

In some sense, all organizational management can be termed a form of manipulation. However, special caution must be exercised when organizational members are urged, and in some cases pressured, to join in an activity which requires them to render candid judgments that often affect their future relations with other members of the organization. In this respect, the lack of any consistent monitoring of the HRC training process by the district or the federal government is worthy of note.*

The processes involved in OD can be damaging to individuals under some circumstances, and are not always subject to precise control by the consultant. In such situations, participants are entitled to advance descriptions of the process and the occasional presence of independent consultants who can provide some check on the quality of the training offered.

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*Although Rand observers were often present, they were barred from intervening by the ground rules established for the evaluation.

"Depth" of intervention. One of the more discussed issues about OD concerns the "depth" or intensiveness of intervention desirable or necessary to solve organizational problems. The growing consensus of the OD field is *away from* "deep," intensive intervention techniques similar to "encounter groups" or "sensitivity training," and toward more organizationally oriented intervention techniques in which individual change receives a relatively minor emphasis.*

The NTL Institute, an NEA affiliate based in Washington, D.C., speaks for many of the nation's prominent OD specialists. NTL has taken a fairly explicit position as to the use of "laboratory training" or "sensitivity training" in OD: "Persons in the following categories should not ordinarily participate in a laboratory training program: those whose participation is based primarily on the wishes or demands of another, e.g., an employer, rather than on any degree of personal motivation..."**

Rand's observations of HRC activities, combined with the comments of Alum Rock personnel, lead us to suggest that HRC training in the 1972-1973 school year has been somewhat more intensive and encounter-oriented than would be typical of the OD field generally, and that some of the district's polarization over HRC has been due to its intensive emphasis. A more moderate, organizationally oriented program might prove sounder for the future.

How much training is enough? If one accepts the proposition that some OD training is helpful to facilitate the process of organizational change, then how much training is enough?

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*For further discussion of this issue, see R. Harrison, "Choosing the Depth of Organizational Intervention," *Journal of Applied Behavioral Science*, 6: 181-202, 1970, and Richard A. Schmuck and Matthew B. Miles (Eds.), *Organization Development in Schools* (National Press Books, Palo Alto, 1971).

***Standards for the Use of Laboratory Method*, 1969, p. 9.

We have no satisfying answer to that question, although it is clear that some participants in Alum Rock, who previously supported HRC training, began to feel that the process was yielding decreasing benefits as the year came to an end. One danger signal, however, can be specified. When the consultants are so heavily involved that they begin to espouse the viewpoint of one subgroup in the organization, and hence become an active part of the organization's political system, then the training process is likely to become counterproductive in terms of intergroup relations. Such overt involvement characterized the relationship between HRC and the voucher principals. It should be noted, however, that this problem did not go unnoticed by the district's top officials who sought some redress of the situation.

In Alum Rock a decision has already been reached to phase out HRC participation as of July 1974. HRC will be replaced by an "internal consulting" team now being trained by HRC staff. However, the same needs for description of activities and monitoring of the process will continue as long as OD is an official part of the voucher demonstration.

# PART THREE: THE PROCESS OF CHANGE

## Chapter 7: Change: Theory and Implementation

### Introduction

In this chapter we present observations on the change process in the Alum Rock school district during the first year of the voucher demonstration and the ideas which guided that process.

Basic changes in the allocation of resources and authority, such as those caused by the voucher demonstration in Alum Rock, disturb and alter the basic social structure of an organization. Roles, internal interest groups, the status system, beliefs of members of the organization, patterns of participation and dependency, are all affected in such broad organizational changes. Long-established procedures which embody past decisions, compromises, and commitments, are altered or abolished. Such changes, in turn, alter the career prospects of individuals, and bring new indices to the fore for the judging of individual and group performance.

In a well-established organization, such as the Alum Rock school district, with veteran personnel, change affects the past investment that individuals have made in building reputations, learning skills, advancing careers, and extending friendships and group affiliations. Such change not only threatens to alter the significance of what has been done in the past, it sets off chains of unpredictable consequences for the future. When roles, participation, and dependency patterns are in flux, no one can be sure where the system will come to rest, or even whether an equilibrium will be established. These sources of uncertainty tend to build anxiety in all participants about what the change may portend.

As noted in earlier chapters, change causes a drain on the physical and emotional energy available within the organization. The change process consumes energy because new procedures, new policies, and new relationships must be built, and also because those building processes must be constantly monitored. On the other hand, any change promising good results can also be energizing and galvanizing.

But because change is complex and uncertain, and because it affects the energy expended by participants, the change process is not likely to be rapid and continuous but rather slow and discontinuous. The organization appears to spurt forward for a time only to rest, consolidate itself, and take stock of the impact of the change so far accomplished.

Simultaneously, the pace of change is dependent upon the morale and expectation of those involved. In periods of difficult transition, one hears not only "Are we headed in the right direction?" but also "Can we really do it?" Participants in the change process are constantly searching for signs of whether the expectations are consistent with the amount of change that should be accomplished. Encouraging words from organization leaders or outside sources, and optimistic assessments, can provide a boost to morale and the determination to press onward. In this respect, favorable media coverage in Alum Rock (e.g., in The New York Times) represented a significant force driving the demonstration toward greater effort and a higher probability of success.

We have also seen that decisions made in the context of the change process often have an uncertain effect that makes them doubtful as a guide for subsequent action. One example is the joint decision that was reached to provide for the closing of mini-schools subject to the approval of the Superintendent. Did the decision mean that individual classes within mini-schools could be closed without Superintendent approval? Did the decision mean that closings could only be approved if subsequent expansion was to take place? Who would monitor the implementation of the decision? What were the sanctions of the decision wasn't observed? From the perspective of the individual principal, would it appear to be a concession to central authority to abide by the decision rather than merely give it lip service? What precedent would be established if principals began to request written permission for actions they wished to take within their own buildings?

Decisions in Alum Rock often reflected an ignorance of the operational problems that would be encountered in their implementation. In itself, this is not an unusual feature of organizational decisions. The remedy is usually to go back and reconsider the original decision in the light of what has been encountered. However, in the context of rapid change, some other topic of dispute has often pushed the decision in question from center stage.

Further, because of the pace of change, and the bubbling up of new problems, coupled with the inclination to leave decisions unrecorded, some decisions were poorly communicated to other interested participants. Thus, "decisionmaking" sometimes seemed to create more confusion than it eliminated.

All of the foregoing factors show that the change process inevitably placed severe demands on the trust existing within the organization, both on an interpersonal and an intergroup level in Alum Rock. As individuals or organization subunits began to act in unexpected ways because of the change process, they often created unanticipated problems for other people. The initiation of RECAP (see Chapter 4) is a prime example of the unexpected placing of burdens on organizational participants, the school secretaries, which had not been adequately anticipated.

As a result of such dislocations, the system quickly developed high requirements for reassurance of the benign or constructive intent behind the changes, and reassurance of the willingness to reconsider mischevious actions. The Superintendent, and to a lesser extent, the voucher Project Director, were constantly thrown into the position of smoothing ruffled feelings and attempting to ameliorate conflicts of procedures as they arose.

Beliefs about how organizations change, and personal values, play an important role in the change process. Beliefs are important because they help shape the nature of the change instituted and because they affect the willingness of the system to renegotiate old arrangements to accommodate change. Values are crucial because they determine whether individuals or groups within the organization become committed to supporting or subverting change. Interviews revealed that individuals and groups within the district tended to support or oppose change because of its direct impact on the resources under their control and also because of the implications of change for their status, group affiliation, reputation, and sense of personal efficacy within the organization. Exclusive attention to financial incentives provides an inadequate guide to understanding how a school district, such as Alum Rock, will adapt, mold, and implement a voucher demonstration.

Finally, leadership is crucial in the change process. Leadership helps shape beliefs about the need for change and establishes direction for change. Leaders render judgments about how well change is succeeding, and therefore have an effect on morale within the system. Leadership must deal with unanticipated effects of change and make sure that grievances and conflict do not accumulate to the extent that the change itself is subject to rejection. Leaders must assure individuals and groups that, to maintain and build personal security and esteem within the organization, they need not resist change. Indeed, in its more coercive moments, leadership can indicate that respect and security within the organization require individual willingness to change and to undertake risky acts.

In sum, organizational change is complex and subtle. It leads to a multitude of unexpected outcomes that must be addressed. It places a heavy burden on trust and energy within the organization and, to facilitate it, dedicated, sensitive, and highly energetic leadership is needed. In comparison, established procedures, even when imperfect, are likely to be remembered with some fondness after the turbulence of the change process becomes a reality.

The degree to which one may be satisfied with the *pace of change* is highly dependent upon one's perspective. To the casual outside observer the pace of change may appear slow, the obstacles merely the reflection of laziness, the protection of established prerogatives, or the selfish pursuit of individual "self-interest." A closer and more finegrained observation indicates the difficulties we have described. Many of these difficulties appear in the subtlety of daily interactions within the organization. As a result, they are more likely to be noticed by, and appear more real to, those who are close to the change process than to those who view it from afar.

The Alum Rock demonstration is an attempt to determine the consequences of a specific voucher proposal for school reform. But the course of the demonstration in Alum Rock has been shaped not only by the voucher model but by organizational factors, as described above, and also by a partially conflicting theory of educational change espoused by the district's administrative leadership.

We will describe the role of these two partially conflicting theories and compare and contrast the essential elements of voucher theory and the locally espoused theory of change. Finally, we will describe the leadership style of the district Superintendent as he sought to implement that locally espoused theory.

## Factors Involved in Changes of School District Performance

In Alum Rock or elsewhere, several factors are influential in molding school district responses:

1. Community characteristics. Social class, race, income levels, occupational structure, and political groupings play an important role in affecting the behavior of school districts.
2. Personalities of participants. Past studies of change efforts in education have drawn much attention to the personalities and "self-interests" of participants.
3. History and the flow of external events. School district response to a specific innovation depends on the historical context of the organization and the simultaneous flow of other problems, issues, and deadlines.
4. Organization competence and technology. The effectiveness of attempted changes in organizations is related to the organization's past experience with their technologies and previously developed skills. For example, we would expect that experiments with programmed reading instruction would tend to have different results depending upon the previous experience of teachers and students in using such instructional strategies and the attitudes they have developed toward them.

5. Organizational structure. The existing structure of influence and authority in an organization has important implications for many types of intervention. For example, if a new system of individualized instruction is to be implemented in a district without experience in these techniques, this strategy might experience great difficulties.
6. Current theories held by the organization. Organizational behavior is shaped by justifications, rationales, and explanations of why things are done in a certain way. When considered together, these constitute a "world view;" an accepted way of linking cause and effect; a framework for explaining why certain phenomena tend to accompany other phenomena; a reflection of the values currently held or being experimented with by the organization that is changing. The norms for behavior in an organization are closely linked to such "theories." When external reformers intervene in an organizational setting, the consequences of their intervention are influenced not only by the theories held by the reformers but also by the theories currently held within the organization.

In Alum Rock we found that voucher theory was interacting, sometimes strengthening, sometimes conflicting with, a distinguishable world view both explicit and implicit in the operation of the local school system. Parts of this world view were consciously held, and often termed "decentralization" by administrators and teachers in Alum Rock; other parts became noticeable as we observed behavior and tried to trace a plausible relationship between behavior and the models of the world that might be current within the organization.

No one within the district called this world view a "local theory." We have imposed that term. We have done so because to understand the nature of the demonstration and to communicate our data, analyses, and understanding we felt compelled to articulate a theory composed of the ideas and concepts that appeared to play an important role within the decisionmaking system of the school district.

The OEO voucher theory was delivered to the demonstration in an explicit and well-articulated form. It required little effort to grasp its essentials. The articulation of the organization's own "local theory" required greater effort. In this respect, our role has been that of the detective seeking to piece evidence together. The evidence comes from the district and the participants in the demonstration. The construction and articulation is ours. We hope participants in Alum Rock will recognize the elements of the "local theory;" the overall form, and some of its derived implications and necessary assumptions, will appear new to many of them. To insure that distortions of synthesis and interpretation are attributed to us, we have given their theory a name--"local theory."

Thus, we assert that the first year of the voucher demonstration has been shaped by community characteristics, personalities, outside events, organizational structure and technology, and the confluence of two theories of educational change.

We now turn to an examination of the two theories.

## OEO Voucher Theory*

Elsewhere we have discussed the development of voucher theory and its essential elements. Here we wish merely to recapitulate its key elements.

Context and Mechanism. The intensified interest in school vouchers during the past decade has occurred within a context of continuing distress over the fact that poor and minority children display achievement levels in schools, based upon conventional tests and measures, far below those of children from affluent families. OEO voucher theory rejects the notion that poor and minority children are inherently inferior and places the primary burden for failure upon the schools, not upon the children or their families. The voucher concept seeks to extend to poor families a range of educational options similar to those already possessed by more affluent families in this society.

Thus, the key vehicle for educational reform within OEO voucher theory is the provision of school choice for poor parents. OEO voucher theory sees the fundamental educational problem as the provision of inappropriate forms of schooling services, and posits that the answer must lie within an improved marketplace for educational services. This theory derives from traditional and well-known models of the economic marketplace. According to the theory, consumers can derive an increase in the utility they experience from schooling only if the marketplace they confront provides:

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*By "OEO Voucher Theory" we mean the regulated compensatory model, as distinguished from other models, such as the Friedman model.

1. Choices. The consumer must be given a range of schooling choices so that he or she can make the selection most appropriate to perceived needs. In OEO voucher theory, only the consumer, not the school professional, can be entrusted with the final selection.
2. Purchasing power. Consumers must have adequate resources to purchase the schooling service of their choice. The major differences between the Friedman and Jencks model revolve around the distribution of purchasing power and the constraints that should be placed on the exercise of that purchasing power.
3. Information. The provision of choices and the just distribution of purchasing power are inadequate to a proper operation of the marketplace. The consumer must also have knowledge of the choices available so that he or she can make an informed choice. (This information function receives virtually no notice by Friedman.) Jencks suggests that the Educational Voucher Authority undertake this vital responsibility but provides little detail as to how the function can best be performed.

Thus, both the Friedman and Jencks models assume the following chain of causation:

a. Purchasing power is given to consumers who were previously unable to exercise choices.
b. The newly empowered consumers will knowledgeably demand the provision of schooling services in new ways.
c. The supply side of the educational marketplace, sensing the shift in consumer demand, will organize

and provide different and more appropriate schooling services.

d. Children will be better served in the improved marketplace and parental satisfaction will increase.

e. Educational firms and organizations providing desired services will proliferate and prosper. Educational firms and organizations that are unresponsive to consumer demand will perish.

Assumptions. OEO voucher theory proceeds on a number of assumptions. Some of them follow:

1. Parents have the proper aspirations for their children and their choices will be guided by those aspirations. The educational choices are to be made by the parents, not the schools or the children.
2. Parents have, or can develop, clear preferences in terms of the educational experience they desire for their child. These preferences can provide an operational guide to suppliers of schooling.
3. Parents are competent to gather information about alternative school choices, and to make choices appropriate to their aspirations. Parents wish to make these choices and have the time and intelligence to gather information and to process it.
4. There are operational standards and procedures for collecting and disseminating information on schooling choices to parents. This includes an assumption that evaluative devices (such as tests) are available to provide valid data on student progress and to aid in the diagnosis of student needs.
5. Existing schooling organizations can provide different and more satisfying forms of education and more effective schooling organizations are ready to enter the marketplace or can be organized.
6. Schools in demand by consumers can be expanded to accommodate more students without harming the educational program.

7. The marketplace provides sufficient incentives to insure the expansion of popular schools.
8. The introduction of competition, by itself, will enhance, not harm, the effectiveness of current schools and teachers.

This is an imposing list of assumptions. Because of the nature of the Alum Rock demonstration, not all of these assumptions are being fully tested.

### "Local Theory"

As already noted, what we term "local theory" is, in fact, an elaboration and articulation of concepts related to the management of change which emerged from our study of the Alum Rock school system. At times this local theory (which, as stated earlier, is implicit rather than articulated) has at times been in accord with the implementation of the transition voucher model and, at other times, has been in conflict with voucher notions.

Before examining the context and mechanism of the "local theory," a brief note is in order concerning the sources of the views we have assembled. The major source has been the Superintendent, Dr. William J. Jefferds, mainly in personal conversations and at meetings. These views, however, are by no means unique to the Superintendent. Local theory forms a consistent thread through interviews and observations with other central office administrators, principals, and teachers. Thus, the elements of this theory appear to be widely shared in the district's staff.

Context and Mechanism. Thus, it appears that the decentralization initiative was apparently first developed by the Superintendent and his staff as a consequence of a perceived increase in dissatisfaction, among both parents and certificated staff, with the operation and effectiveness of the district's schools. These were perceptions of subtle factors, because the district has not been characterized by employee strikes or the divisive community disputes that have characterized so many American school districts in the past quarter century. Indeed, this tranquility itself appears to have contributed to the thirst for change. Both the Superintendent and several principals have commented that, before the self-conscious effort to change the schools in the past five years, they found themselves bored with their jobs. One top administrative official in the district commented that he had decided to leave the field of education if the process of managing the district did not begin to bring more challenge. Thus, decentralization found its impetus in a vague but persistent sense that the schools could do more for the children while providing a more fulfilling professional experience for its teachers and administrators.

Rather than any dramatic precipitating event, the momentum for decentralization appears to have sprung from a gradually rising level of expectations. These expectations had caused some staff members to search for more satisfaction in their jobs and for some parents to want more effective schools for their children, especially in terms of instruction in such basic skills as reading.

The local theory represents a strategy for energizing teachers and administrators and, in economic terminology, to change the type of schooling services supplied to the community. Thus, it shares with general voucher theory an intention to change the behavior of suppliers in education. However, the local theory relies upon different mechanisms than does voucher theory:

1. A Recurrent Hawthorne Effect. The theory candidly asserts the value of change for the sake of change. Thus, the process of change is valued per se, along with the ends that any specific change may bring. The theory holds that recurring change causes a constant reevaluation of performance by school staff and a heightened sense, among the staff, of the importance of the work they have undertaken. In this way, change contributes to pride, and pride is seen as an essential ingredient in creating successful schools. Boredom is an enemy of good schools. Indeed, the theory seeks to create a norm favoring change so that those who are not involved in one or another type of change will feel uncomfortable

with the system. Group norms favoring change are seen, within the theory, as a major incentive for more change.

2. Changed patterns of participation. The theory sees the initiation of the chain of causation leading to change in an altered pattern of decisionmaking within the schools. Internally, by bringing parents, community groups, and employee organizations (both certificated and classified) more directly into the decisionmaking process, it is assumed that the agenda for issues to be confronted and problems to be solved will be changed. Thus, school professionals are more likely to be devoting their attention and energy to new challenges. Externally, by bringing other agencies (government, universities, private firms) and their objectives, into working contact with the district staff there will be a communication of new ideas and new methods.*

3. The use of constituent organizations to aggregate demands and to negotiate policy. Local theory assumes that as participation increases, so will the expression of varying views. As the expression of requests and demand increases, it becomes increasingly risky to ignore such requests and demands.

   Thus, there is a need for a system that will aggregate the views of the participants and a means for negotiating differences that emerge. Organizations within the district are used for this purpose. Citizen advisory groups of various kinds proliferate; increasing reliance is placed upon the Certificated Employees Council and other employee organizations. As constituent organizations aggregate the demands, the function of top management turns to the negotiation process and the process of conflict resolution rather than the unilateral dictation of change. Increased participation, and an organized system for raising and negotiating issues, is seen as having several functions:

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*The Superintendent refers to this process as the "Shooting Star" process. By attaching the district to a "Shooting Star" (a project or idea originated outside the organization), fresh ideas and perspectives will be integrated into the organization.

a. As more individuals and groups express themselves, there is an increasing probability that policy decisions will be sensitive to their desires. Participant satisfaction increases, and participants give a higher level of support to the district.

b. Even where participant desires are not satisfied, the participants perceive that their views have been given fair consideration. The legitimacy of the decisionmaking process is increased and participant groups are less prone to conflict even in those cases where decisions are adverse.

c. As the process of raising problems becomes easier, it becomes more likely that problems will come to the attention of the organization before they have reached crisis proportions.

4. Increased autonomy for schools. It is assumed that individual school staffs wish to do a better job and that parents at each school are capable of articulating the needs of their children. Therefore, the system decentralizes certain decisions (particularly in the area of curriculum and budget) to the individual school-site level. Each school is in a better position to resolve local problems and to take advantage of local opportunities without involving central staff and centralized authority.*

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*The unclear limits of decentralized authority have been a cause of continuous debate within the administrative staff. In the case of some principals, less authority than they had hoped was decentralized to the school level. For example, affirmative action policies are enforced centrally. In addition, schools are expected to follow guidelines on citizen participation and thus to share some of their newly won decentralized authority. It should be noted that not all principals or staffs seek more authority. Some are more comfortable with a centralized system and are pleased when the central authority relieves them of the burden of decisionmaking.

5. Increase staff training. Changing patterns of participation, and new school autonomy, cause a redefinition of roles and a need for new skills. These skills are seen as including not only the traditional areas of improving teaching skills or budgeting skills but also interpersonal skills in communication (see Chapter 6 for a discussion of HRC training). The training program is thus designed to improve intrastaff communication and problem solving. The skills expected to result from such training are seen as contributing to an environment where teachers learn from other teachers, administrators learn from other administrators, and there is a more rapid diffusion of promising practices throughout the system. This implies a growing degree of trust in personal relations throughout the district.
6. Increased resource levels. As new issues and new projects proliferate in the change process, the demand for district financial resources increases. A major function of top management becomes the procuring of more money for special projects.

Thus, if one wished to sketch the local theory, one could say that it identifies increased participation in decisionmaking as the impetus for change; new ideas generated inside and outside the system as the vehicles for change; extra money as the fuel for running a system with high levels of change; use of training, staff organizations, and citizen advisory groups as means of detecting and resolving conflict that accompanies change; and increased staff pride and excitement, along with parental satisfaction and support, as the objective of the change process. (See Figure 7.1 for a pictorial representation of the local theory.)

Assumptions. As in the OEO voucher theory, a number of assumptions are built into the local theory. Some of them are:

1. The theory assumes that people within the system wish to change, or at least a sufficiently large proportion wish to change, so group norms favoring change can be developed and maintained.

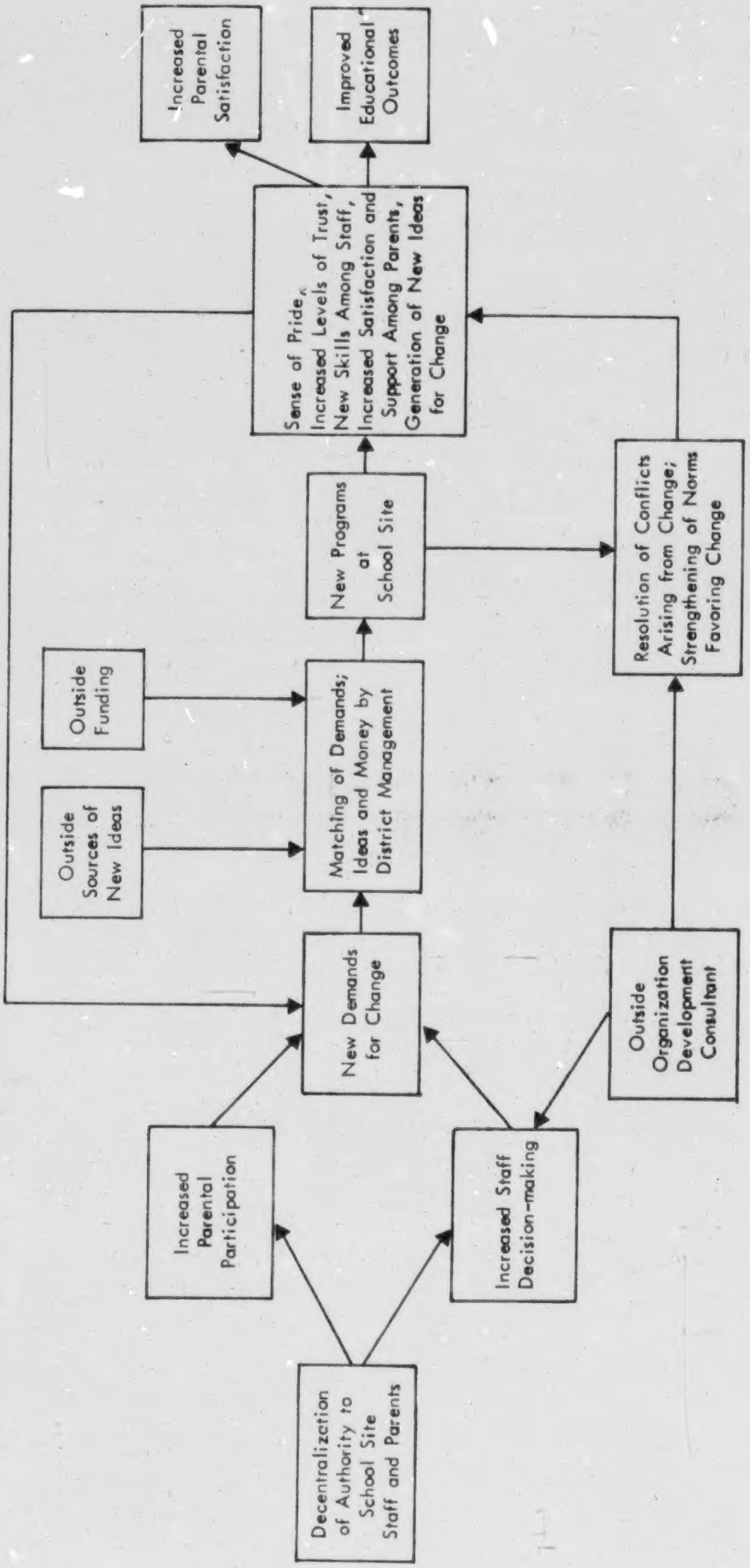
Decentralization of Authority to School Site Staff and Parents
Increased Parental Participation
Increased Staff Decision-making
New Demands for Change
Outside Organization Development Consultant
Outside Sources of New Ideas
Outside Funding
Matching of Demands; Ideas and Money by District Management
New Programs at School Site
Resolution of Conflicts Arising from Change; Strengthening of Norms Favoring Change
Sense of Pride, Increased Levels of Trust, New Skills Among Staff, Increased Satisfaction and Support Among Parents, Generation of New Ideas for Change
Increased Parental Satisfaction
Improved Educational Outcomes

Fig. 7.1 — The local theory of change

2. It is assumed that teachers and administrators are willing to devote a larger portion of their attention and energy to implementing school change than is conventionally expected.
3. It assumes that training in interpersonal communication skills facilitates intra-organizational communication and learning as distinguished from fostering the growth of cliques within the organization.
4. It assumes that ever-increasing resources are available to fuel the change process.
5. Related to the previous assumption, the theory assumes that a growing number of possibly conflicting demands can be negotiated and resolved within the organization.
6. The theory assumes that participants will be satisfied to aggregate demands as relatively low levels in the organization (e.g. citizen advisory committees, employee organizations, school sites) without also appealing decisions to top levels (e.g. the Board or Superintendent) and thus overload the decisionmaking process.* Local theory seems to ignore two potent forces leading to a multiplication of demands on top decisionmakers:
    a. A participant gains in personal status by having his or her demand considered at the highest level of the organization rather than being satisfied with a school site decision. This is an incentive to appeal to top decisionmakers.
    b. If top decisionmakers (e.g. the Superintendent and his staff) are more receptive to demands than local administrators, demands will begin to flow directly to the top.

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*Overload on top decisionmakers is a prominent and constant danger that characterizes both local theory and practice. Avoiding overload requires that the financial resources and negotiating skills and energy of the district exceed the resource and time requirements of problems generated by increasing demand.

   c. As people learn to participate, and gain personal satisfaction from being part of the decisionmaking process, they may begin to generate new problems simply as a means of insuring their continued participation.

7. The theory assumes that the change process itself will cause greater pride in school staffs and thus more effective schooling.

## Conclusions

Both OEO voucher theory and local theory are directed toward changing the supply response in local schools. Both use changes in participation in decisionmaking as a mechanism to increase and alter the types of demands made upon school organizations in the belief that new demands will cause new supply responses.

Thus, neither theory is concerned with a specific curriculum change. They aim at creating a general process that will produce a host of school and curriculum changes. Neither theory depends upon direct intervention in the home or neighborhood environment as a means of increasing school performance.*

Neither theory asserts that educational change is only possible as a result of changes in the larger society, such as changes in the social class structure of society.

OEO voucher theory is concerned with the improved operation of educational markets; it asserts that suppliers of schooling respond primarily to economic incentives.

Local theory is concerned with the improved operation of an educational organization; it asserts that suppliers of schooling respond primarily to the norms of the organization in which they function.

Both theories aim at promoting the evolution of educational institutions. OEO voucher theory holds that competition and selection are the means to be used. If current participants in the provision of schooling learn new skills in the process that is a by-product within the voucher framework. Conversely, learning and adaptation by current participants is the central focus of evolution within the local theory. OEO voucher theory assumes that evolution requires the entrance of new suppliers and the demise of unresponsive suppliers. Local theory assumes a minimum of entrance and exit of new schools but emphasizes changes within current schools and personnel.

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*Advocates of both theories have argued that as parents become more efficacious participants in school decisionmaking, the home environment for students will improve in various ways. However, these are indirect consequences of the theory if they exist at all.

In the first year of the demonstration we found that ideas involving individual parent choice, diversity of educational programs, and increased school site decisionmaking were well-accepted in the district, and significant progress was made toward implementing these concepts.

On the other hand, independent evaluation of educational programs; increased collective parent participation in school decisionmaking; and the centrally directed parent counseling programs encountered many obstacles. In part, these obstacles arose out of the conflict among differing personalities and the persistence of school procedures from the past. But, as we have sought to indicate, they also arose from the partially differing world view expressed in the voucher theory and the local theory of educational change.

# Chapter 8: Transition in the Distribution of Administrative Authority

## Roots of Decentralization

Of central importance in the implementation of the demonstration has been the response of the central staff (Assistant Superintendents and Directors) to the Superintendent's broad "decentralization" initiative.

Observers of attempts at change within organizations, including school districts, have often remarked on the power of middle-level central staff officials to subvert and sabotage such change efforts. This was decidedly not the case in Alum Rock, and our attention is turned first to the compliance which central office officials exhibited toward the dramatic changes initiated by Jefferds.

Our understanding must proceed from an understanding of the historical context of the change effort. Before Jefferds's appointment as Superintendent, the affairs of the district had been characterized by a high degree of central office control over activities at the school site. This far-reaching and meticulous control extended not only to broad questions of resource allocation and personnel selection but also to the details of curriculum and teaching style through a system of "supervisors" of teachers deployed from the central office. While this centralization of authority may have sprung in part from the unique personalities of prior Superintendents, it also served to facilitate the orderly growth of the district during its years of explosive enrollment increases. In the rapidly expanding Alum Rock system of the mid-1950s to late 1960s, school site personnel, including principals and teachers, were often characterized by youth and inexperience. Central office control provided a steady hand at the tiller that served to give the district a sense of order and direction.

In the 1950s, the demography of organizational growth in Alum Rock thrust a number of young men into positions of central office authority early in their careers. Many of them remain in top administrative positions today. All of the top administrative officers of the district (with the exception of two top Chicano officials who were employed in 1968 and 1969) have been employees of the organization for more than 15 years. These veteran administrators were promoted within a system of centralized control; learned to function within a system of centralized control; and formed close and long-lasting friendships in their small administrative circle.

However, while these top officials were "maturing" in office, a number of men of similar age and background were succeeding to positions of principal and assistant principal. But as these site administrators grew more experienced, the possibility for promotion shrank rapidly. District enrollment began to level off, leading to a slower expansion of central office positions. Pressure for affirmative action meant that the few administrative positions that did open up, even at the principal level, were given almost exclusively to black and Chicano candidates. And, to compound the mobility problem, school districts elsewhere were also experiencing decelerated growth, with fewer new administrative openings.

Thus, the corps of principals increasingly became a group of men with sufficient experience to assume higher administrative posts but with no place to go. And, apparently, they began to chafe under the strongly centralized system of control. Controls that were acceptable a few years earlier apparently became unacceptable to many principals as the 1960s drew to a close. As one of the top district officials commented, many principals developed deep feelings of resentment about the way in which they were "treated like children" by the central office. Memories of past "injustices" began to accumulate among the principals.

The central office administrators began to sense the tide of resentment. At the beginning of Jefferds's service as Superintendent, they remained an elite, but a resented elite. The central office administrators did not enjoy being resented by the principals and this was probably one incentive to sharing decisionmaking authority.

But there were other factors. A new array of community problems, related to the rapidly changing ethnic composition of the district, increased the number of problems facing central administrators. Their jobs were becoming more difficult at a time when others were chafing to share their authority.

Further, a national sense of disenchantment with schooling began to take shape in the late 1960s. Thus, a vague but persistent sense that "something was wrong" seems to have taken hold in Alum Rock, in line with national sentiments and because of the growth of new local problems.

Jefferds's proposals for decentralization were cast into this milieu. Even if different conditions had existed, central administrators might have been inclined to support Jefferds. For these officials, Bill Jefferds was an old and good friend. Further, they held his administrative capabilities in awe. For them he was a man of warm personality, endless energy, and great mental acuity. He was, and is, a man viewed with deep affection by his central office colleagues. Further, decentralization was not a wild idea that took root only in Jefferds's mind. Decentralization was becoming an idea "in good currency" in the thinking and writing about educational administration. It was also blessed and endorsed by HRC, the management consultant firm. Thus, decentralization was a reasonable idea propounded by a trusted leader.

Finally, the security of their own social group within the central office provided a measure of reassurance to top administrators that a decentralization of authority would not threaten their own personal investment of time and belief in the district. The HRC training helped to build these interpersonal ties in the central office and to strengthen their inclination to take a risk on behalf of decentralization. Tired of mounting problems, and secure in their own social group within the organization, they apparently were ready to accept a plausible suggestion to shed some of their power.

Thus, decentralization became a way of "promoting" principals within the system, not by bringing them into the central office but by increasing the scope and authority of their positions. For their own part, most of the principals were ready to grasp the increased autonomy.

In this context, the voucher demonstration became a fortuitous vehicle to move more rapidly in the direction of decentralization while providing some extra dollars that the district felt it needed so badly in view of their history of relative penury among surrounding districts.

## Response of the Principals

Most of the principals were eager for more authority and autonomy. Decentralization held out the promise of a new role and new status within the district. These were matters of fundamental significance for the professionals whose principles and personal identity were wrapped up in the organization to which they had committed a significant portion of their lives.

The emotional involvement of the principals in decentralization was by no means solely a self-seeking one. The rhetoric, and to some extent the reality, of American schooling constantly reminds principals and teachers of their possible impact on the future of the children they serve. Neither the position of school teacher nor school principal is a lofty one in American life. But there is a real sense of obligation infused in such roles for many who occupy them. In their discussions of "what kids need" one senses a certain desire among principals and teachers to be fashionable. But there is also a genuine concern, a sincere belief in the ultimate significance of their work for children. Especially in a low-income district such as Alum Rock there is often a keen sense, on the part of teachers and administrators, of the harsh fate that awaits many of their students. These school employees often sincerely seem to want their institutions to fulfill the rhetoric of American education and to help their students to get an "even break." Their past experience tells them they have rarely been successful, however, and they lack any clear design for making the promise of equal opportunity come true.

The principals are also emotionally involved because their personal identities are bound up with their careers. For the principals in Alum Rock there is the frustration of truncated chances for promotion. For all of the principals there is the recurrent evidence--the low test results and the subsequent educational and occupational careers of their students--that they lack a clear instructional technology to make their schools effective in improving the learning and the lives of the children they serve. This adds to their frustration.

For some, but not all principals, the combination of frustration and ambition caused them to seek more autonomy and authority. And, apparently, it was from the ranks of this subgroup of principals that the volunteers for the voucher demonstration came.

Acknowledging the lack of apparent impact of their schools upon children, and diminished prospects for future promotion within the system, these principals regarded more money and autonomy as plausible ways to make their schools work better and to derive a greater sense of satisfaction from their jobs.

The voucher principals were not ready to view the cession of more authority from the central office as a charitable gift. Indeed, the rhetoric of decentralization declared that the new authority was theirs by right.

## Response of Central Office Administrators

The movement toward decentralization served to create ambiguity in the relation of school site to central office. There was no precise plan or blueprint for the distribution of power and authority under a "decentralized" system. Indeed, central to the "local theory" of change that guided the Superintendent's action, was the notion that top leadership could help initiate and facilitate such decentralization but that the details of the new roles and new relationships had to be worked out by the participants, central staff and school site staff. The Superintendent was prepared to live with the ambiguity about the precise direction in which those negotiated relations might move.

But both the central administrators and the principals, while content to undergo a certain amount of turmoil and change, craved the establishment of a new equilibrium, a precise delineation of the new limits of responsibility and authority. As has often been noted by observers of school systems, the imposition of order and discipline is a major function of the schools. Therefore, administrators within such systems may crave such order and predictability in their own organizational relationships more than might be the case in other organizations.

The principals constantly pressed forward to test the limits of their new role. Rather than bringing serenity to the lives of central office administrators, decentralization brought an increased number of probes from the school site for more discretion, more resources, more independence from central control. One central administrator saw in this constant probing an "issue of warning to other districts." He compared the principals to students from a traditionally oriented classroom who are suddenly given the full rein of an "open classroom." Characteristically, the sudden assumption of freedom from past rules, and the consequent loss of external limits to behavior, leads to chaos, at least in the short term. This official perceived the principals' constant probing as an attempt to establish the location of the new limits. Yet, under the unclear concept of decentralization, no one seemed to know where those limits should be set. Rather than the sudden and dramatic move toward decentralization, this administrator counseled that the move to school autonomy should have been more gradual so that no one would "lose his sense of limits" in the process.

However, both the Superintendent and Deputy Superintendent felt that the process of decentralization had been gradual. They had purposely initiated the decentralization process, district-wide, in the area of curriculum (the area where principals had the most competence by virtue of their backgrounds as teachers) and then sought to move into less familiar functions, such as budgeting.

Some central officials felt dismay at the reaction of the principals. They were dismayed because decentralization and vouchers had not dramatically increased the warmth of their relations with the schools and their principals. They were dismayed because the principals seemed to place greater and greater emphasis on getting more money. And the concept of decentralization gave them few operational limits where they felt they could call a halt to growth of "principal power." During the first year of the demonstration, they were dismayed because the voucher principals and the Superintendent were convening closed meetings to which they were not invited. Somehow the channels of consultation seemed to flow less and less through their heads. The strong cohesiveness of the voucher principals only increased their apprehension.

And rather than getting simpler, the life of the central office administrator became more complex. The procedures developed over many years were being upset. In personnel, in budgeting, in special services, in purchasing, the rules were changing. The central office staff not only had to help determine the new rules but help to figure out new procedures to implement them. It became a double burden of change.

Central office staff also began to sense the discontent of 18 other schools, the nonvoucher schools. Staffs of these schools felt that, in the drive to make the voucher demonstration work, the central office was ignoring their problems.

In the midst of all this, in the spring of 1973, came the necessity to shape a major new plan to qualify for funds under SB 90.

Under the thrust of decentralization, central administrators were constrained to engage in a good deal of consultation with principals about proposed decisions that would affect the schools in the areas of budget, personnel, and other services. This process took time, and the central officials often noted that "no one ever said that decentralization would make decisionmaking quicker or more efficient." For men accustomed to making unilateral decisions, it was a frustrating experience.

The process of consultation and negotiation with principals turned out to have heavy emotional overtones. As already noted, the voucher principals clung to the concept of decentralization with an allegiance of almost religious proportions. The voucher Project Director recalled, "Even on issues that seemed to me to be essentially technical, the principals approached the discussions as if the issues were of cosmic importance, as if tremendous human tides were riding on the outcome."

Both central staff and the principals discovered that the procedures of the past embodied long-forgotten compromises and agreements which now had to be reexamined in the context of change. Given the difficulty of rediscovering the meaning of the old standards, the number and complexity of meetings grew enormously. Many meetings, called ostensibly "to make decisions" were consumed by largely ritualistic attempts to establish the impact of the change process upon the status of the various administrative participants in the demonstration. Much of the time at meetings involving administrators was devoted to exchanging information on the current status of problems and personal relationships as they were being changed by decentralization and vouchers; to identifying role changes and the personal strains that such changes induced; and to determining whether the change process was out of control.

Thus, one major administrative impact of the demonstration was to raise questions about the status and role of the participants; to cause administrators to seek reassurance of their significance and continued security in an insecure and changing school district. "Decisionmaking" meetings often produced more in the way of group therapy than they did in binding decisions. While it led to few direct confrontations, emotion often ran high when administrators gathered.

One important way to provide reassurance to troubled principals was to bring them into direct contact with the Superintendent. Knowing that their problems, complaints, and disaffections were known to the highest administrative officer in the district often served to calm jangled administrative nerves.

Central office administrators began to sense that decentralization had gone "too far, too fast." One official bemoaned the fact that "we threw away the old cart before we built a new one." The need for "controlled decentralization" began to creep into the language of the central office. Several factors appear to have contributed to this sense of anxiety.

1. The central office had previously abandoned its system for monitoring activities in the schools (the supervisors) and had now lost control over the allocation of substantial resources (basic and compensatory vouchers) being poured into the six voucher demonstration schools.
2. Central office administrators could see no supervisory system being instituted at the school level to replace the old central monitoring system. There seemed little evidence that principals were systematically evaluating teachers, for example.

3. As a result, central officials had a growing sense of sitting atop an anarchy. The principals appeared to be establishing "dukedoms," in the terminology of one central official. The hiring of personnel and the allocation of resources was increasingly under the control of principals and teachers, yet it was the district as a whole that had the obligation to pay teachers and to raise the revenue. Central officials tended, at times, to criticize principals for wanting authority but not accepting the responsibility that went with it for justifying their actions to the Board of Trustees or the community. In the language of the central office, the "integrity of the entire district," the sense of having a unified organization moving in understandable and coordinated ways, was endangered.
4. At least some central officials became concerned about the processes of selecting teachers for mini-schools. They saw the mini-schools choosing teachers on the basis of personal idiosyncracies, rather than teaching ability. Associated with this concern, was alarm that good, "traditional" teachers were being discriminated against in the drive of some mini-schools to appear "innovative." A spokesman for these concerns in the central office staff recalled visits by anguished "traditional" teachers who felt alienated and unwanted in the voucher demonstration. He conceded that some innovation was useful; that peer control of teaching might be constructive; but he worried about the loss of individual teacher autonomy in the context of the mini-school and the loss of an established system for higher officials to monitor the activities of the now influential mini-schools. Nor was it clear to this official that teachers should be spending precious time on administrative matters.
5. Some central office officials felt that decentralization simply proved to be inefficient. They watched schools and principals stumble and struggle to make new procedures work,

as in the case of selecting teachers, where the old procedures, while not perfect, were easily managed before decentralization.

As the first year of the demonstration came to a close, it seemed that both central office and school-site personnel yearned for a new sense of equilibrium in the system.

## Response of the Superintendent

Perhaps sensing the discontent over the lack of a new equilibrium, Superintendent Jefferds proposed a new "model" of decentralization in the late spring of 1973. Admitting that not all principals were eager or ready to take on added responsibility in all facts of administration, Jefferds proposed the "A-B-C" package. Under this plan, the principals and the central staff would jointly determine a set of administrative procedures in the areas of budgeting, curriculum, and personnel, among others. In each area the "A" package would provide for centralized direction of a school's activities, the "C" package would provide for a high degree of school autonomy, and the "B" package would represent an intermediate state. Once the packages were determined, a principal, in consultation with the central staff and subject to the approval of the Superintendent, could select those he wanted. For example, a principal who wanted strong autonomy in curriculum but didn't want to be bothered with personnel policy, could select a "C" package in curriculum and an "A" package in personnel.*

Jefferds had hoped to complete the determination of the details of each package by the beginning of summer vacation. However, the discussions among principals and the central staff proved to be complex, and by the end of the school year the precise contents of the packages remained undetermined, and the fate of the entire "A-B-C" plan was in doubt.

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*Jefferds insisted that no value judgments would be attached to the individual principal's choices. However, some of the principals were unpersuaded. One principal declared, "It sounds to me as though "A" stands for awful, "B" for better and "C" for charming."

There was little, if any, sentiment for returning to the old centralized system, with its admitted defects of inflexibility, but the energy available in the organization for making new rules, devising new procedures, and building new organizational roles showed signs of depletion. It was possible that an intervening summer vacation might replenish those energy supplies, but there appeared to be a growing sentiment for a period of consolidation after a period of change.

Signs of relatively permanent change in the organization's character were also at hand. Overarching the problems, conflicts, and strains was a pervasive sense in the organization of having "done it," of having placed an internal voucher system into operation, however imperfectly. There was a sense of pride at having accomplished a difficult task, and in being unique among the school districts in the nation for having done it.

# Chapter 9: The Role of Participating Groups in the Policymaking Process

## Introduction

We turn now to an analysis of the policymaking process which characterized the demonstration.[*] Observers who have paid more than casual attention to decisionmaking within organizations are immediately impressed, indeed awed, by the complexity of the process. It is a process of such complexity that theories purporting to explain it generally fall short in several ways. Thus, before attempting our own explanation, we must first state that it can be no more than partial.

The district's proposal to OEO, and the early planning for the demonstration of which that proposal is a major product, left the question of who was going to make what decisions quite ambiguous. Other than reaffirming that formal authority would continue to rest with the legal governing body, the Board of Trustees, and its prime agent, the Superintendent, the matter of who would resolve conflicts, and in accordance with what principles, was almost totally unclear.

First, the CSPP voucher model assumed that the process of competition, and not a formal decisionmaking body, would dictate all of the major decisions in a voucher demonstration. The theory assumes that under competitive conditions the impersonal "market" will rule, not some assemblage of officials. The Educational Voucher Authority in the CSPP proposal, although a potentially significant force, was accorded only the functions of collecting and disseminating information along with minimal functions in the area of "certifying" schools for participation. Thus, not much thought had been given to how governance procedures should or would work in an all-public school voucher demonstration.

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[*] In this chapter we are concerned with governance of the demonstration as a whole as distinguished from decisionmaking within individual schools and mini-schools.

Securing a compromise agreement between OEO (and its advocates of parent participation) and the local district was facilitated by leaving the matter of governance vague. Any precise and well-formulated arrangement, decreed in advance, might have scared one side or the other out of the agreement to proceed with the demonstration. Thus, the matter of governance awaited clarification when the demonstration began.

As we probe the process of governance we are interested in three interacting phenomena--the way decisions were made, the way decisions were monitored and enforced (because some decisions are never translated into behavior), and the nature of the problems addressed in the decisionmaking and monitoring processes.

A note of clarification about the word "*decision*" *is* in order. Popular notions concerning the nature of a "decision" often arise out of visions of the corporate board room or the Oval Office at the White House. We visualize an authoritative man* declaring to an attentive audience, "I have decided to spend $10 million on the construction of a new plant in Skokie, Illinois," or "I have decided to veto the bill providing for a 15 percent increase in veterans' benefits." Such decisions are intentional, well-defined in terms of both who made them and when they were made, and they are usually accompanied by elaborate rationalizations. Such decisions do occur.

However, when we study the nature of decisions in an organizational context the picture often becomes murky. Some decisions seem to accord with no one's precise intentions, no one seems to be quite sure when they were made or who made them (one sometimes hears that "they" made a decision, but no one is sure who "they" are), and no apparent declared rationalization accompanies them. Decisions of the latter sort simply seem to grow and one day are noticed.

The decisionmaking process we attempt to describe here contains decisions of both varieties. A decision of the "unintentional" variety is represented by the "decision" of the voucher staff not to challenge directly the authority of the principals in the decisionmaking process. As a guide for action it had all the force of an intentional and well-defined decision. In reality, it was a decision that grew in the fall of 1973 without conscious direction from those who "made" the decision.

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*We never seem to visualize an "authoritative woman."

Let us direct our attention to the element of governance denoted in the "decisionmaking process." Here we are concerned with who participates in the decisions and how effectively they participate.

The analysis of participation proceeds in two parts. In the first, we are concerned with the factors that apparently shaped the degree to which individuals participated in decisions. In second part we are concerned with the process of the aggregation of individual participation or, in other words, how effectively individuals, once activated, joined together to affect the decision.

## Participation in Decisionmaking

Three factors were the major determinants of the activation of individuals in the decisionmaking process during the first year of the demonstration: available time, competence, and legitimacy. The dividing line among the three factors is somewhat arbitrary but such-divisions may serve to clarify our analysis.

Time. We would expect individuals who can spend more time trying to affect a given decision to be more influential on the outcome than those who are busy elsewhere.

In part, the expenditure of time by individuals on "decisionmaking" is determined by the structure of the school distirct. Teachers are occupied in their classrooms during the day. Parents are busy earning a living, or caring for a home and children. In contrast, principals and central office administrators are relatively free to direct their energies to the pursuit of policy formation. Such structural factors give administrators and central office administrators a key advantage in any contest to affect policy. But the availability of time hardly serves as an adequate explanation. Some people with available time spend it on decisionmaking and others do not. Therefore, we need to be concerned with those factors that activate the expenditure of available time.

One part of the explanation for activation lies in the satisfaction gained by participation in decisionmaking and the meetings at which decisions are made. Although complaints about attendance at meetings are universal, the fact is that some people enjoy attending meetings. For some, attendance at meetings provides an opportunity to be "part of the action," to be an "insider" who knows "who said what" and "what was decided."

The pleasures of attendance at meetings must be weighed against the pleasure derived from alternative activities. For central office administrators, life often becomes a continual set of meetings. Meetings about the voucher demonstration have comparatively little advantage, in terms of the pleasures to be derived, over meetings called to discuss other subjects. For a voucher principal, the alternative activity to meetings related to the demonstration was to stay in his school and conduct its business.

An individual school is a relatively undramatic stage. On the other hand, attendance at central office meetings brings principals into contact with others of relatively high status in the system. And such meetings address issues that are apparently of greater moment than the fact that the bell system is not working; that Miss Smith is out today with the flu; or that little Johnny Jones just cut his finger playing tether ball.

It is true, of course, that the school site is closer to the children and closer to the learning process. For some principals it is a comfortable and natural place to be; they derive satisfaction from being close to or in the classroom. But for other principals it is often a bore. Such variation in the reaction of principals was noticeable during the demonstration. Some principals appeared to resist attendance at meetings that drew them away from the school site and what they considered "their real job." Several principals, on the other hand, appeared to enjoy any opportunity to meet with one another or other high-ranking officials to discuss "important" issues. And much of the highly effective leadership of the voucher principals' group came from men who sought a larger arena for their views and proposals.

Participation is not only activated because it is gratifying, but also because the decisions to be made vitally affect the participants. The early months of the demonstration gave rise to debates over rules and regulations, such as transfer policy and the computation of school-site income, that directly affected individual schools and reflected pressures brought upon principals by their staffs. Such decisions were also of moment to the voucher staff. These decisions were of interest, but were less pressing, for many central office administrators and parents.

Another factor in the decisionmaking process is individual tolerance for ambiguity. Some individuals are comfortable operating in a situation involving high uncertainty levels, but others require the existence of clear and precise rules and procedures. On the whole, teachers and school staffs did not enjoy ambiguity about the rules of the demonstration. They pressed principals for "answers." In many cases there were no answers, and principals were under pressure to see that decisions were made so that answers would be available.

But even if one has time to participate in making decisions, enjoys the process, and has vital interests at stake in the outcome, it may also be the case that other problems must be addressed simultaneously. Such diverting problems may prevent participation in any given decision. The voucher staff and the principals were almost solely occupied by problems inherent in the demonstration. By contrast, other central office administrators (including, at times, the Superintendent) and nonvoucher principals had competing problems to address.

Competence. An individual's impact on the decisionmaking process is determined not only by his or her available time and willingness to devote that time to affecting a particular decision, but is also dependent upon the individual's grasp of the issue involved. As issues become more complex and technical, the individual's grasp of the questions and possible solutions grows in importance. Thus, we use the term "competence" to reflect both prior experience and current skills and knowledge that, taken together, provide an indication of the degree to which an individual can knowledgeably address issues.

At first blush it would appear that the voucher demonstration should make relatively modest demands for "competence" on potential decisionmakers. The concept and basic rules of the demonstration are fairly straightforward, and understanding them requires no special knowledge. However, effective participation in decisions affecting the demonstration did require fairly extensive historical and organizational knowledge and experience. In varying degrees the decisions involved an understanding of the administrative processes within individual school sites; how central staff services are organized and dispensed; a knowledge of the contractual agreement between the district and the federal government; an understanding of local "politics;" and historical perspective on how the district became involved in the demonstration.

Potential participants began from unequal positions in terms of their grasp of the structure of the demonstration. The subsequent course of the decisionmaking process and the initial qualifications tended to restrict such competence to a relatively small group consisting of the voucher principals, the Project Director, the Superintendent, and to a lesser extent, a handful of the central office staff, and the remainder of the voucher staff. Thus, as the year wore on, this small group attained an ever greater comparative advantage in their "competence" concerning new issues and decisions.

Legitimacy. Effective individual participation demands not only time and competence but legitimacy as well. An individual must be seen as "entitled" to have his or her voice heard and taken into consideration as the decision is made. The pattern of formal legitimacy is decreed by legal regulations and written procedures. But the pattern of formal legitimacy often deviates from the pattern of informal legitimacy. Such deviations are associated with the norms of the group involved. We will examine both formal and informal decisionmaking legitimacy in the first year of the demonstration.

Under state law and the district-OEO agreement, the Alum Rock Board of Trustees retained final decisionmaking authority, and hence the highest level of formal legitimacy, in the demonstration. According to the contract they were to be advised by the Educational

Voucher Advisory Committee. Individual schools and mini-schools were strongly encouraged to consult with parent advisory groups. But each of these groups had much less "informal," i.e., "real," legitimacy than these formal arrangements would indicate.

As is often the case in American school districts, the board operates under the notion that they make "policy" and the Superintendent is responsible for "administration." This arrangement gives the Superintendent strong autonomy in determining what issues come before the board; the policy options given them; and the nature of the information they use to arrive at decisions. It also creates a presumption that the board will not "meddle" in day-to-day "administration." As a consequence, board members only have legitimacy in the decisionmaking process, as a general rule, when an issue is appealed to them by a group within the system or is brought to their attention by the Superintendent.

EVAC had little or no informal legitimacy in the system. In part, they lacked legitimacy because they were seen by the principals as a threat to decentralization of authority in the district (though not to the same degree as the voucher staff itself came to be regarded). And, they lacked legitimacy because half of the group were parents, and hence, in the minds of professionals not yet accustomed to voucher philosophy, "outsiders." Individual school and mini-school advisory groups suffered from all of the same problems but they did not represent a threat to decentralization.

The federal government also had little informal legitimacy within the system. The tradition of local control in the public schools is extremely strong in the United States. The federal government's expanding role in the past decade has been a subject of strong and emotional controversy. While federal officials are able to retain a certain measure of veto power over how federal funds in the area of education are spent, there are strong local norms preventing federal officials from becoming intimately involved in the decisionmaking process.

We shall have more to say about the distribution of legitimacy later in this chapter. For the moment we simply wish to emphasize the difference between informal legitimacy and formal authority.

The Impact of Groups

So far we have been concerned with factors that affect the effectiveness of individuals in the decisionmaking process. Of course, that process often takes its direction from the presence and effectiveness of groups of individuals. Thus, we need to be concerned with conditions that give rise to group "power" in decisionmaking. Three conditions that engage our attention in this connection: size of the group, cohesiveness of the group, and the group's access to resources.

Group size. If all other factors are equal, we expect large groups to be more influential than small groups. In terms of potential group size, the parents, the students, and the teachers held a theoretical advantage because they outnumbered the district's administrators. But a simple fact of the demonstration's first year was that none of these groups ever became mobilized. One contributing factor was the lack of a preexisting network of parent organization. Another factor was that no highly emotional public issue emerged during the first year around which such organizing could be conducted.

Cohesiveness. Group unity is associated with group power. Unified groups are able to press singlemindedly for their objectives and such groups present little opportunity for potential opponents to create diversionary issues and to create factions within the group. Clearly, the voucher principals exhibited the highest degree of cohesiveness during the first year. They were united by common backgrounds, past acquaintanceship, common problems and perspectives, and were the subject of intentional organizing by HRC. They shared the ideology of decentralization. And, as their cohesiveness proved effective in shaping decisions, they discovered even stronger incentives to "hang together."

A key means through which this unity was maintained and strengthened was the weekly principals' breakfast meeting. All others* were excluded from these sessions except on those occasions when either the Superintendent or the Project Director was invited to attend.

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*Except for a Rand observer.

In part, the meetings were social gatherings in which the principals simply enjoyed one another's company. In part, they were strategy sessions in which problems were raised, diverse opinions were aired, common positions were hammered out, and individual principals, whose enthusiasm in supporting the group seemed to be flagging, were admonished and re-inspired. While dissension was permitted in private, in subsequent confrontations with "outside" groups or individuals the principals imposed a strict norm of unanimity upon themselves. In meeting after meeting the retreat of less cohesive "outside" groups was clearly visible in the face of the relentless assertion of the principals' "group" views.

Without the benefit of the same unifying conditions and prior consultations, the voucher staff was at a decided disadvantage. However, the lesson of the unified group was not entirely lost upon them. During the year the voucher staff made greater and greater efforts to present a common front. In particular, they attempted to work with individual principals and avoided dealing with the principals as a group.

Access to Resources. Access to money, information, and networks of other participants is a vital factor in determining group impact. The principals had almost exclusive access to the individual school staffs. In addition, they had veto power over the degree of access to those staffs that others could achieve. Information on current issues remained restricted to the principals, to voucher staff, and the Superintendent. The nature of the demonstration meant that principals and teachers had much greater unrestricted access to money than had ever been the case before.

## The Monitoring Process

Once decisions are made the problem of monitoring their implementation remains. Different decisions lent themselves to different monitoring procedures. Decisions that affected the behavior of the voucher staff, such as restrictions on the activities of counselors, were easily monitored by the principals and school staffs because deviations from the agreed procedure would be quickly noted. On the other hand, the central staff had only a very limited capability to monitor the inclination of school staffs to properly implement transfer policy or to summon parent counselors when new parents registered at the school. The nature of the monitoring process gave school staffs considerable latitude in implementation but kept the voucher staff on a relatively short leash.

## Summary

Table 9.1 provides a summary of the factors associated with group impact on decisions. The table summarizes some of the information already presented and provides an opportunity to discuss more fully the strengths and weaknesses of the relevant groups in the governance of the first year of the demonstration. The denotations of "high," "medium," and "low," in the table necessarily reflect the judgment of our site observers rather than the result of computations.

The table is an oversimplification of reality. Group impact varied somewhat according to the issue under consideration. Further, unlike the principals, most other groups often did not act with unanimity.

Board of Trustees. The Board of Trustees had little time to devote to the governance of the demonstration, both because of their part-time status and because their agenda was constantly filled with other issues related to the conduct of the school district as a whole. They had strong legal authority to make decisions affecting the demonstration but their informal position was much weaker because of the district's norm that the board stay out of "administrative" matters. The board is reasonably cohesive and is free from factionalism. The board's access to monetary resources is high but they must depend upon the Superintendent and his staff for information on current policy issues.

Superintendent and Deputy Superintendent. The Superintendent and his Deputy were often diverted by issues unrelated to the demonstration but gave high priority to "making" time to shape policy for the demonstration. They had a keen grasp of the issues involved and a high degree of formal and informal authority because they were the only central office administrators with "line" authority over the principals under the decentralized administrative structure. They were restrained, however, from fully exercising this authority by decentralization which places

Table 9.1

FACTORS AFFECTING IMPACT ON THE GOVERNANCE OF THE VOUCHER DEMONSTRATION--FIRST YEAR

| Participants | Time | Competency | Authority |  | Cohesiveness | Access to Resources |
|---|---|---|---|---|---|---|
|  |  |  | Formal | Informal |  |  |
| Board of Trustees | L | L | H | L | M | H |
| Superintendent and Deputy Superintendent | M | H | H | H | H | H |
| Assistant Superintendents and central staff | L | M | M | L | H | M |
| Sequoia voucher staff | H | H | M | M | M | H |
| Parent counselors | H | H | L | L | M | M |
| HRC | H | H | M | H | NA | H |
| Voucher principals | H | H | H | H | H | H |
| Nonvoucher principals | L | L | L | L | M | L |
| Voucher teachers | L | M | M | M | L | M |
| District teacher organizations | M | M | M | L | M | M |
| EVAC | L | M | H | L | L | L |
| Parent groups | L | L | M | L | L | L |
| Federal officials | M | H | H | L | H | M |

H = High
M = Medium
L = Low
NA = Not Applicable

great stress on allowing principals to determine many of the rules and regulations that govern individual school activities. Thus, these two top officials often attempted to persuade principals and their staffs, rather than compelling them.

The Superintendent and his Deputy consulted frequently and acted with a high degree of cohesiveness, in part because of their long personal friendship. They have access to financial resources, and the Superintendent is the key negotiator with federal officials for additional resources. However, the Superintendent and his Deputy spend relatively little time in the schools and must depend largely on principals, teachers' groups, community groups, and HRC to provide information on current views and opinions at each school site.

Assistant Superintendents and Central Staff. In general, staff officials in the hierarchy beneath the Superintendent and his Deputy were largely concerned with issues not directly related to the demonstration, although the demonstration had a strong impact on their roles. They had only a modest impact on the specific issues in the demonstration and, because of decentralization, had little formal or informal authority to compel specific courses of action at the school-site level. The central staff acts with a fairly high degree of unanimity. They have modest latitude over the distribution of money resources and, like their superiors, are often dependent upon others for news of events within the schools.

Sequoia Staff. The Sequoia staff was involved exclusively in the demonstration and spent its time trying to affect its governance. They had an excellent grasp of the issues involved but only modest formal authority in their role as advisers to the Superintendent. Their cohesiveness was weak at the beginning of the demonstration but tended to grow stronger during the year. They had a budget of their own and the Project Director participated in negotiations with federal officials and had good informal contacts at the national level. They, too, were often dependent upon the principals for information on the views of school staffs. Seen by the principals as "outsiders" who had been imposed upon them, and as the agents of a possible recentralization of authority, they had little informal authority in the demonstration.

Parent Counselors. The counseling staff was concerned solely with the demonstration and, during certain periods, even had excess time on their hands. They had a fairly good grasp of the policy issues under discussion but were dependent on their superiors for this information. They had no formal authority and little informal authority. They were viewed by the principals as "outsiders" and potential troublemakers in the school community. They had no access to financial resources and only modest access to the school sites.

HRC. HRC consultants had considerable time to devote to "facilitation" of the demonstration. As a result of their inclusion in policy meetings they had good information on current issues. They had no formal authority in the demonstration but considerable informal authority because of their close relationship with the principals and the Superintendent. They had no access to money resources but considerable access to school staffs.

Voucher principals. The principals were able to devote considerable time to policymaking, knew the issues involved, had strong formal authority in their own schools and strong informal authority in the governance of the demonstration because of the decentralization philosophy. They acted with a high degree of cohesiveness and had some latitude with regard to the expenditure of voucher funds and complete access to the views of their staffs.

Nonvoucher principals. The nonvoucher principals were mostly preoccupied with affairs at their own schools, had little knowledge of the issues in the demonstration, no formal or informal authority in the demonstration, only a modest degree of cohesiveness, no access to the financial resources of the demonstration, and little access to information concerning what was going on in voucher schools.

Voucher teachers. The voucher teachers were busy with planning and implementing the mini-schools and had no free time for policymaking for the demonstration as a whole. They understood voucher-related issues as they affected instruction but were dependent upon their principals for news about policy issues affecting the entire demonstration. They had formal authority only in their mini-schools, and their informal authority consisted only of being consulted occasionally by the principals. Their cohesiveness was low because of competition among mini-schools and the lack of any mechanism for teacher consultation among school sites. They had autonomy over the expenditure of compensatory voucher funds in their own mini-schools and some role in the decisions affecting the spending of basic voucher funds at the schoolwide level.

*District teacher organizations*. Although keenly interested in the demonstration, the district teacher organizations were largely preoccupied with the collective bargaining process affecting the district as a whole. They had only a general idea of the issues involved in the demonstration, partly because none of the key teacher organization leaders taught at voucher schools. These organizations had potential formal authority through the use of the collective bargaining process but this was not used. Their informal authority in the demonstration was slight largely because they chose not to be involved in such decisions during the first year. The major teacher organization, AREA, was fairly cohesive in its views. They had no access to financial resources, other than through bargaining, and had to depend on informal contacts with voucher teachers and administrators for their information about the demonstration.

*Educational Voucher Advisory Committee*. EVAC met only once a month and devoted much less time to decisionmaking than did principals and the voucher staff. Their grasp of the issues was limited because the principals had succeeded in convincing the Project Director not to "stimulate" EVAC activity. They had formal authority to advise the Board of Trustees but the board was generally unaware of their functions. Their cohesiveness was poor and they had almost no access to money or information resources.

*Parent groups*. This category includes both the school and mini-school parent advisory groups and independent community organizations, such as the Parents and Students of Alum Rock. Being all-volunteer groups they had little time to devote to the demonstration. They had, or were given, virtually no information on policy issues, had no formal or informal authority, acted with little cohesiveness, and had no access to money or information resources.

Federal officials. The Office of Economic Opportunity did not have a staff member in continuing residence during the demonstration. Their information on the course of the demonstration was derived from occasional visits and informal reports from the Superintendent and the voucher staff. Through these means the federal officials maintained a knowledge of the issues involved. Their formal authority, given the existence of the formal district-OEO agreement, was substantial. However, little of that authority was exercised because of the norms against federal interference in local decisionmaking. Although the domination of decisionmaking by the principals was a constant source of anxiety to the federal officials they avoided direct confrontation with the principals. The federal officials exhibited a fairly high degree of cohesiveness in their discussions and negotiations with district officials. Their control of the financial resources supporting the demonstration was substantial. As noted, however, there were definite limitations on the flow of information to the federal level.

## CONCLUSIONS

The following conclusions are based on findings from the first year. Therefore, they must be considered tentative and subject to revision if additional evidence from subsequent years warrants:

1. It is unlikely that the federal government will be able to control in detail how voucher models operate in the face of local inclinations to adjust various features of such demonstrations to fit the local context.
2. The nature of the demonstration that is actually implemented depends upon both the federal view and the local view of desirable processes and appropriate goals for school reform. The federal view of educational reform embodied in the voucher program relied heavily upon the application of financial pressures on the schools by parents. The Alum Rock view of reform relied far more heavily on an assumed impulse for reform within the school staff itself. The local view identified increased participation, by both teachers and parents, in decisionmaking as the impetus for change; new ideas generated inside and outside the system as the vehicles for change; extra money as the fuel for running a school system faced with the added burdens brought by change; use of in-service training, staff organizations and citizen advisory groups as means of detecting and resolving conflict that accompanies change; and increased staff pride and excitement, along with parental satisfaction and support, as the goals of the change process.
3. In the first year of the demonstration we found that ideas involving individual parent choice, diversity of educational programs, and increased school site decisionmaking were well accepted in the district, and significant progress was made toward implementing these concepts. On the other hand, independent evaluation of educational programs; increased collective parent participation in school decisionmaking; and the centrally directed parent counseling programs encountered many

obstacles. In part, these obstacles arose out of personality conflicts and the persistence of past school procedures. But they also arose because of the differences between the view of school change embodied in voucher theory and the local perspective on school change outlined in #2 above.

4. The voucher demonstration was intended to test the feasibility and effectiveness of economic incentives within a public school system; it demonstrated that the responses of individuals and groups to organizational change are shaped by the implications of the change for personal status, friendship patterns and group affiliation, reputation, sense of personal efficacy within the organization as well as for the control of financial resources. Thus, it seems that exclusive attention to financial incentives provides an inadequate guide to understanding how a school district, such as Alum Rock, will adapt, mold, and implement a voucher demonstration.
5. The implementation of a complex intervention such as vouchers leads to a large number of unintended consequences within the school system. These, in turn, lead to stresses on interpersonal relations and a significant increase in the amount of time and energy required for administration. Prior planning can never fully avert such stresses and burdens. Therefore, the success of such demonstrations must inevitably depend, in part, upon pre-existing reservoirs of trust and respect within the school organization. School systems torn by other controversies and enmities are poor candidates for the pervasive changes required by voucher plans.
6. "Organization development" techniques and training provide one means for assessing the consequences of change as the demonstration proceeds, of building personal commitment for change and repairing the resulting strains upon interpersonal relations. However, the agents of such "organization development" are subject to great pressures and temptations to become partisans in the decisionmaking processes of the school system, thus leading to possible abuses of their role. External

monitoring of such "organization development" programs may be one way to minimize such risks.

7. It is possible to bring about organizational and procedural changes in a moderate size school district without jeopardizing the basic functions of the district. However, there are some conditions which make adoption and implementation of such changes more likely:

    - If the innovation fits in with trends in the district. In Alum Rock, the voucher demonstration reinforced an existing policy of administrative decentralization.
    - If the innovation is tied to additional revenue which cannot be secured without adopting the innovation and if the district views some of its current problems as arising from the lack of sufficient funds.
    - If the innovation has persistent and influential advocates, such as the Alum Rock Superintendent, and if the district is not highly mobilized politically. Where any controversial change is proposed, well organized local interest groups are likely to feel compelled to take sides. The proposed change therefore becomes less acceptable as it becomes more controversial. The absence of well-organized community groups in Alum Rock, whatever its other consequences for parent participation in the demonstration, helped to decrease outside sources of criticism and pressure which might have endangered the demonstration in its early days. The lack of opposition from Alum Rock teacher organizations was also crucial. The Alum Rock demonstration benefitted from a conjunction of a reform-minded Superintendent and similarly inclined teacher groups.

- If the innovation offers something in return for the extra work and anxiety that are inherent in implementation. In Alum Rock teachers and principals were asked to work harder, risk their professional reputations with untried organizational arrangements and procedures, and adjust to new ways of doing things. In return, they were offered more autonomy and more financial resources to spend as they saw fit.
- If the district has the ability to implement the administrative support systems necessary for the operation of the demonstration. While budgeting, student attendance accounting and purchasing procedures were inadequate in the first year, the district did make substantial progress in developing these procedures and services.

8. Because teachers in voucher mini-schools have more opportunities for joint planning and more incentives to refine and revise their educational offerings, teachers in mini-schools are likely to benefit more than their non-voucher colleagues from improvements in educational information resource systems and technical assistance. While the mini-schools seem capable of providing a modest diverstty of instructional alternatives, they would probably be able to provide even more options if they had better access to information on new alternatives and better technical assistance.
9. Even a public school district committed to educational alternatives finds it difficult to accept instructional alternatives initiated outside the system, as exemplified by the history of the GRO-Kids program. Such externally generated alternatives appear to be acceptable only if they do not endanger the job security of teachers already at work in the system. This resistance is obviously heightened by the current surplus of teachers.

Competition which emerges within existing public schools appears to be fragile. Teachers resist such competition because it conflicts with their ideas of professional ethics, because they fear it will force them to compete on the basis of advertising slogans rather than educational programs, and because it increases the unpredictability of enrollment levels, thus making their own planning and teaching more difficult.

10. At the same time, in a system which is not highly competitive (e.g., a system with few financial incentives, with strong job security guarantees, and with limitations on mini-school enrollment) parents will not have the economic powers to ensure school responsiveness. This is the case in Alum Rock, despite parents' nominal right to transfer students to any mini-school of their choice, together with some portion of their voucher entitlement. In such a system, however, schools may be responsive to parent and student preferences for other reasons:

    - From a desire to succeed in a new venture once they have begun. "Competition" in such a milieu is for prestige, reputation, recognition, and community support, rather than for dollars or job security.
    - As a response to direct non-economic parent pressure like that exerted by some Alum Rock Title I parents in the past.

11. The decentralization of authority is closely tied to the decentralization of authority over expenditures. If the federal grant remains the primary source of discretionary money for the voucher schools, then little decentralized authority may survive after the federal grant ends. At present it appears unlikely that the district will cut back on other commitments, such as the continued employment of present staff, to free discretionary funds for school site

decisionmaking. Thus, the survival of the decentralized system may depend on the vagaries of state and federal funding for the district.

12. At the end of the first year, the demonstration is not a useful test of voucher concepts because of the constraints and special conditions which are part of the Alum Rock demonstration. However, the demonstration is instructive with regard to the adoption, implementation and consequences of school decentralization and increased parent choice among alternative school curricula.